

FB 2000-2002 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME III

Legislative Research Commission

JUNE 7, 2000

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FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM
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**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

HEALTH SERVICES

JUNE 7, 2000

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**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND (TOBACCO) BY BUDGET UNIT**

Cabinet/Function: Health Services

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	General Assembly	Difference	General Assembly	Difference	
Public Health		13,644,800	(13,644,800)	21,084,700	(21,084,700)	
Children with Special Health Care Needs		1,100,800	(1,100,800)	605,300	(605,300)	
Operating Budget Total		14,745,600	(14,745,600)	21,690,000	(21,690,000)	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Health Services

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Medicaid Services - Administration	19,425,000	21,430,700	17,323,700	(4,107,000)	22,174,300	18,079,900	(4,094,400)
Medicaid Services - Benefits	640,355,400	714,130,000	708,895,000	(5,235,000)	769,163,000	764,493,300	(4,669,700)
Public Health	56,291,700	63,490,900	64,514,400	1,023,500	64,268,600	65,028,100	759,500
Mental Health/Mental Retardation	158,871,800	171,423,300	172,231,600	808,300	182,477,200	182,904,300	427,100
Children with Special Health Care Needs	6,190,600	6,006,600	5,943,000	(63,600)	6,237,100	6,176,100	(61,000)
Certificate of Need	65,800						
Aging Services	23,337,000	23,842,000	25,019,800	1,177,800	24,394,500	25,584,200	1,189,700
Administrative Support	22,970,500	9,191,600	10,018,100	826,500	9,492,900	10,352,100	859,200
Operating Budget Subtotal	927,507,800	1,009,515,100	1,003,945,600	(5,569,500)	1,078,207,600	1,072,618,000	(5,589,600)
Continuing Appropriations							
Public Health	297,000						
Operating Budget Total	927,804,800	1,009,515,100	1,003,945,600	(5,569,500)	1,078,207,600	1,072,618,000	(5,589,600)

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT

Cabinet/Function: Health Services

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Medicaid Services - Administration	12,231,100	10,981,000	13,941,000	2,960,000	10,811,600	13,771,600	2,960,000
Medicaid Services - Benefits	222,359,200	226,448,500	226,448,500		213,744,900	213,744,900	
Public Health	9,716,000	12,911,400	12,830,200	(81,200)	15,606,300	15,427,900	(178,400)
Mental Health/Mental Retardation	138,114,600	147,311,800	146,559,800	(752,000)	154,320,100	153,172,900	(1,147,200)
Children with Special Health Care Needs	5,100,000	3,495,100	3,495,100		3,179,000	3,179,000	
Certificate of Need	384,700	470,100	462,600	(7,500)	492,100	484,700	(7,400)
Aging Services	12,640,300	4,965,500	4,965,500		5,471,300	5,471,300	
Administrative Support	5,040,500	9,707,100	7,056,000	(2,651,100)	8,676,500	7,876,500	(800,000)
Operating Budget Total	405,586,400	416,290,500	415,758,700	(531,800)	412,301,800	413,128,800	827,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Health Services

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Medicaid Services - Administration	36,515,500	32,756,500	31,595,800	(1,160,700)	32,626,700	31,476,900	(1,149,800)
Medicaid Services - Benefits	2,095,851,900	2,268,404,800	2,255,936,100	(12,468,700)	2,368,057,500	2,356,956,600	(11,100,900)
Public Health	129,841,200	122,036,400	122,036,400		122,032,300	122,032,300	
Mental Health/Mental Retardation	43,549,700	45,592,300	45,587,300	(5,000)	45,730,000	45,723,600	(6,400)
Children with Special Health Care Needs	5,270,200	4,668,800	4,668,800		4,669,000	4,669,000	
Aging Services	17,158,500	17,153,800	17,153,800		17,148,600	17,148,600	
Administrative Support	7,919,000	8,710,700	10,561,800	1,851,100	10,618,200	10,618,200	
Operating Budget Total	2,336,106,000	2,499,323,300	2,487,540,000	(11,783,300)	2,600,882,300	2,588,625,200	(12,257,100)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Health Services

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Medicaid Services - Administration	68,171,600	65,168,200	62,860,500	(2,307,700)	65,612,600	63,328,400	(2,284,200)
Medicaid Services - Benefits	2,958,566,500	3,208,983,300	3,191,279,600	(17,703,700)	3,350,965,400	3,335,194,800	(15,770,600)
Public Health	195,848,900	212,083,500	199,381,000	(12,702,500)	222,991,900	202,488,300	(20,503,600)
Mental Health/Mental Retardation	340,536,100	364,327,400	364,378,700	51,300	382,527,300	381,800,800	(726,500)
Children with Special Health Care Needs	16,560,800	15,271,300	14,106,900	(1,164,400)	14,690,400	14,024,100	(666,300)
Certificate of Need	450,500	470,100	462,600	(7,500)	492,100	484,700	(7,400)
Aging Services	53,135,800	45,961,300	47,139,100	1,177,800	47,014,400	48,204,100	1,189,700
Administrative Support	35,930,000	27,609,400	27,635,900	26,500	28,787,600	28,846,800	59,200
Operating Budget Subtotal	3,669,200,200	3,939,874,500	3,907,244,300	(32,630,200)	4,113,081,700	4,074,372,000	(38,709,700)
Continuing Appropriations							
Public Health	297,000						
Operating Budget Total	3,669,497,200	3,939,874,500	3,907,244,300	(32,630,200)	4,113,081,700	4,074,372,000	(38,709,700)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				14,745,600		(14,745,600)	21,690,000		(21,690,000)
General Fund	927,507,800	927,507,800		1,009,515,100	1,003,945,600	(5,569,500)	1,078,207,600	1,072,618,000	(5,589,600)
Restricted Funds	405,586,400	405,586,400		416,290,500	415,758,700	(531,800)	412,301,800	413,128,800	827,000
Federal Funds	2,336,106,000	2,336,106,000		2,499,323,300	2,487,540,000	(11,783,300)	2,600,882,300	2,588,625,200	(12,257,100)
Regular Total Funds	3,669,200,200	3,669,200,200		3,939,874,500	3,907,244,300	(32,630,200)	4,113,081,700	4,074,372,000	(38,709,700)
General Fund Continuing	297,000	297,000							
GRAND TOTAL FUNDS	3,669,497,200	3,669,497,200		3,939,874,500	3,907,244,300	(32,630,200)	4,113,081,700	4,074,372,000	(38,709,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	227,348,600	227,348,600		241,079,500	234,671,100	(6,408,400)	252,573,300	245,697,800	(6,875,500)
Operating Expenses	40,292,200	40,292,200		41,920,600	41,920,600		43,685,800	43,685,800	
Grants, Loans, Benefits	3,401,062,100	3,401,062,100		3,655,986,600	3,629,764,800	(26,221,800)	3,815,298,500	3,783,408,300	(31,890,200)
Debt Service							1,030,000	1,086,000	56,000
Capital Outlay	794,300	794,300		887,800	887,800		494,100	494,100	
TOTAL EXPENDITURES	3,669,497,200	3,669,497,200		3,939,874,500	3,907,244,300	(32,630,200)	4,113,081,700	4,074,372,000	(38,709,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	927,507,800	927,507,800		982,271,600	969,761,600	(12,510,000)	1,043,936,500	1,030,642,400	(13,294,100)
Restricted Funds	405,586,400	405,586,400		407,604,400	409,738,300	2,133,900	402,239,600	405,247,600	3,008,000
Federal Funds	2,335,668,500	2,335,668,500		2,451,397,400	2,429,882,800	(21,514,600)	2,536,150,300	2,515,998,100	(20,152,200)
Regular Total Funds	3,668,762,700	3,668,762,700		3,841,273,400	3,809,382,700	(31,890,700)	3,982,326,400	3,951,888,100	(30,438,300)
General Fund Continuing	297,000	297,000							
TOTAL BASE LEVEL	3,669,059,700	3,669,059,700		3,841,273,400	3,809,382,700	(31,890,700)	3,982,326,400	3,951,888,100	(30,438,300)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				14,745,600		(14,745,600)	21,690,000		(21,690,000)
General Fund				27,243,500	34,184,000	6,940,500	34,271,100	41,975,600	7,704,500
Restricted Funds				8,686,100	6,020,400	(2,665,700)	10,062,200	7,881,200	(2,181,000)
Federal Funds	437,500	437,500		47,925,900	57,657,200	9,731,300	64,732,000	72,627,100	7,895,100
TOTAL ADDITIONAL	437,500	437,500		98,601,100	97,861,600	(739,500)	130,755,300	122,483,900	(8,271,400)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Health Services

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				500,000		(500,000)			
Bond Funds				8,337,000	8,837,000	500,000			
Capital Const. Surplus				1,200,000	1,200,000				
Investment Income				700,000	700,000		1,840,000	1,840,000	
Emer. Repair & Maint.				1,689,000	1,689,000				
TOTAL CAPITAL				12,426,000	12,426,000		1,840,000	1,840,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Medicaid Services
Appropriation Unit: Medicaid Services - Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	19,425,000	19,425,000		21,430,700	17,323,700	(4,107,000)	22,174,300	18,079,900	(4,094,400)
Restricted Funds	12,231,100	12,231,100		10,981,000	13,941,000	2,960,000	10,811,600	13,771,600	2,960,000
Federal Funds	36,515,500	36,515,500		32,756,500	31,595,800	(1,160,700)	32,626,700	31,476,900	(1,149,800)
Regular Total Funds	68,171,600	68,171,600		65,168,200	62,860,500	(2,307,700)	65,612,600	63,328,400	(2,284,200)
General Fund Continuing									
GRAND TOTAL FUNDS	68,171,600	68,171,600		65,168,200	62,860,500	(2,307,700)	65,612,600	63,328,400	(2,284,200)

II. EXPENDITURE CATEGORY

Personnel Costs	45,773,800	45,773,800		44,333,800	40,106,100	(4,227,700)	43,834,600	39,630,400	(4,204,200)
Operating Expenses	2,319,000	2,319,000		2,139,000	2,139,000		2,139,000	2,139,000	
Grants, Loans, Benefits	20,078,800	20,078,800		18,695,400	20,615,400	1,920,000	19,639,000	21,559,000	1,920,000
TOTAL EXPENDITURES	68,171,600	68,171,600		65,168,200	62,860,500	(2,307,700)	65,612,600	63,328,400	(2,284,200)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	19,425,000	19,425,000		20,974,900	16,974,900	(4,000,000)	21,388,700	17,388,700	(4,000,000)
Restricted Funds	12,231,100	12,231,100		10,981,000	13,941,000	2,960,000	10,811,600	13,771,600	2,960,000
Federal Funds	36,515,500	36,515,500		32,284,900	31,244,900	(1,040,000)	31,825,600	30,785,600	(1,040,000)
Regular Total Funds	68,171,600	68,171,600		64,240,800	62,160,800	(2,080,000)	64,025,900	61,945,900	(2,080,000)
General Fund Continuing									
TOTAL BASE LEVEL	68,171,600	68,171,600		64,240,800	62,160,800	(2,080,000)	64,025,900	61,945,900	(2,080,000)

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				455,800	348,800	(107,000)	785,600	691,200	(94,400)
Federal Funds				471,600	350,900	(120,700)	801,100	691,300	(109,800)
TOTAL ADDITIONAL				927,400	699,700	(227,700)	1,586,700	1,382,500	(204,200)

V. ADDITIONAL BUDGET ITEMS**2 EXPAN Supports for Community Living - Increased Administrative Costs**

(746WC0X02) Provide funds for increased administrative costs for the Supports for Community Living Program.

General Fund	331,800	331,800		663,600	663,600	
Federal Funds	331,800	331,800		663,600	663,600	
Total	663,600	663,600		1,327,200	1,327,200	

3 NEW Wage Equity Plan

(746WC0X03) Support salary improvement.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Medicaid Services

Cabinet/Function: Health Services

Appropriation Unit: Medicaid Services - Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3 NEW	Wage Equity Plan									
(746WC0X03)	Support salary improvement.									
General Fund					124,000	17,000	(107,000)	122,000	27,600	(94,400)
Federal Funds					139,800	19,100	(120,700)	137,500	27,700	(109,800)
Total					263,800	36,100	(227,700)	259,500	55,300	(204,200)
TOTAL ADDITIONAL					927,400	699,700	(227,700)	1,586,700	1,382,500	(204,200)

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Administration

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs with the following exceptions:

Funding support for the Kentucky Children's Health Insurance Program is transferred to the Department for Medicaid Services from Administrative Support.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$124,000 and Federal Funds totaling \$139,800 in FY 2000-2001 and General Fund support totaling \$122,000 and Federal Funds totaling \$137,500 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: \$331,800 in General Fund support and \$331,800 in Federal Funds in FY 2000-2001 and \$663,600 in General Fund support and \$663,600 in Federal Funds in FY 2001-2002 to provide funds for increased administrative costs for the Supports for Community Living Program. Included in the Base Level Budget is \$2,923,400 in General Fund support and \$6,989,900 in Federal Funds in each year to fully fund the current fiscal agent contract.

The Branch Budget includes state funding totaling \$11,182,900 in FY 2000-2001 and \$11,451,300 in FY 2001-2002 to support the eligibility contract with the Cabinet for Families and Children for Medicaid eligibility determinations, and \$250,000 in FY 2000-2001 and \$253,600 in FY 2001-2002 for KCHIP eligibility determinations.

The Branch Budget Bill Part I, Operating Budget, includes a language provision that directs: "If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management to:

- (1) Establish a new program;
- (2) Expand the services of an existing program; or
- (3) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management."

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to the transfer of General Fund or Restricted Funds from Medicaid Benefits to Medicaid Administration that directs: "It is the intent of the General Assembly that the Secretary of the Cabinet for Health Services be permitted to transfer from Medicaid Benefits to Medicaid Administration a total of up to \$3,500,000 over the biennium of the General Fund or Restricted Funds appropriations from the Medicaid Benefits budget to the Medicaid Administration budget to be used for technical assistance and costs associated with achieving Health

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Administration

Insurance Portability Act (HIPA) compliance for the Medicaid Management Information System. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall present the proposed plan to the Interim Joint Committee on Appropriations and Revenue."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly increases the Restricted Funds Base Level Budget by \$2,960,000 in each fiscal year. The Restricted Funds are to be received from funds available in the Claims and Recovery account (account number 14-746-W520). Federal Funds are increased by \$2,960,000 in each year to reflect anticipated receipts and expenditures.

The General Assembly includes a redirection of the Base Level Budget, as recommended by the Branch Budget, of \$4,000,000 in General Fund support in each year and transfers these dollars to the Cabinet for Families and Children for increasing Foster Care reimbursement, and Federal Funds are reduced by \$4,000,000 in each year to reflect anticipated receipts and expenditures.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$55,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly adds Part IX, Special Provisions, relating to Dental Reimbursement, the Medicaid Nursing Facility Allocation, Optometrists Reimbursement, Kentucky Patient Access to Care (KenPAC) Program, Acquired Brain Injuries with Neurobehavioral Disorders, Medicaid Service Category Information and Medicaid Managed Care administrative costs as follows:

b) Dental Reimbursement: The Department for Medicaid Services shall increase dental reimbursement by \$11,160,000 in FY 2000-2001 and \$11,144,900 in FY 2001-2002.

c) Medicaid Nursing Facility Allocation: The Medicaid Nursing Facility allocation for FY 1999-2000 of \$551,000,000 shall be increased a minimum of 3.1% in each year of the biennium to cover normal inflationary costs of operation. In addition to this inflationary base adjustment, \$1,000,000 in General Fund support in fiscal year 2000-2001 and \$2,000,000 in fiscal year 2001-2002 in General Fund support is provided to implement the revised Nursing Facility Prospective Payment System.

d) Optometrists' Reimbursement: The Department for Medicaid Services shall increase optometrists' reimbursement by \$473,400 in FY 2000-2001 and \$472,800 in FY 2001-2002.

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Administration

e) Kentucky Patient Access to Care Program (KenPAC) Reimbursement: The Medicaid Benefits Budget includes funds to implement an Enhanced Kentucky KenPAC Program with reimbursement to gatekeeper providers on a sliding scale of \$3 to \$9 per member per month based upon performance and quality criteria. The Department for Medicaid Services shall promulgate administrative regulations to implement an enhanced KenPAC program to be effective July 1, 2000.

f) Acquired Brain Injuries with Neurobehavioral Disorders: The Department for Medicaid Services shall work with entities providing care for individuals with acquired brain injuries accompanied by psychiatric disorders to explore options including waivers, alternative funding mechanisms and facility reclassification that may result in individuals with these conditions who qualify for Medicaid support being served in facilities in Kentucky using state and federal matching funds. If a feasible funding mechanism can be developed within the existing Medicaid Benefits framework, the Department for Medicaid Services shall be authorized to institute a pilot project to develop and implement a neurobehavioral treatment program in Kentucky. Maximum total expenditures for such a pilot program shall be limited to \$1,600,000 in each year of the biennium. If the Department for Medicaid Services institutes such a pilot project, prior to beginning the project, the Department shall submit a description of the project, including projected cost, funding sources and number of individuals to be served which shall be forwarded to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue. Quarterly progress reports shall be submitted to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue.

g) Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or Cabinet for Health Services shall be made, until the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services and special expenditures/offsets, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request. The Department for Medicaid Services, by July 1, 2000, shall promulgate administrative regulations to implement the provisions of this Section.

h) Medicaid Managed Care Administrative Costs: The Department for Medicaid Services shall collect information on Medicaid managed care organization administrative costs for each contracting entity and forward this information to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. No Medicaid managed care entity's administrative costs shall exceed 15% of the total Medicaid managed care contract cost.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Medicaid Services
Appropriation Unit: Medicaid Services - Benefits

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	640,355,400	640,355,400		714,130,000	708,895,000	(5,235,000)	769,163,000	764,493,300	(4,669,700)
Restricted Funds	222,359,200	222,359,200		226,448,500	226,448,500		213,744,900	213,744,900	
Federal Funds	2,095,851,900	2,095,851,900		2,268,404,800	2,255,936,100	(12,468,700)	2,368,057,500	2,356,956,600	(11,100,900)
Regular Total Funds	2,958,566,500	2,958,566,500		3,208,983,300	3,191,279,600	(17,703,700)	3,350,965,400	3,335,194,800	(15,770,600)
General Fund Continuing									
GRAND TOTAL FUNDS	2,958,566,500	2,958,566,500		3,208,983,300	3,191,279,600	(17,703,700)	3,350,965,400	3,335,194,800	(15,770,600)
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	2,958,566,500	2,958,566,500		3,208,983,300	3,191,279,600	(17,703,700)	3,350,965,400	3,335,194,800	(15,770,600)
TOTAL EXPENDITURES	2,958,566,500	2,958,566,500		3,208,983,300	3,191,279,600	(17,703,700)	3,350,965,400	3,335,194,800	(15,770,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	640,355,400	640,355,400		694,752,400	686,962,400	(7,790,000)	743,507,700	735,398,000	(8,109,700)
Restricted Funds	222,359,200	222,359,200		226,448,500	225,563,500	(885,000)	213,744,900	213,744,900	
Federal Funds	2,095,851,900	2,095,851,900		2,222,510,300	2,201,848,200	(20,662,100)	2,307,577,300	2,288,298,700	(19,278,600)
Regular Total Funds	2,958,566,500	2,958,566,500		3,143,711,200	3,114,374,100	(29,337,100)	3,264,829,900	3,237,441,600	(27,388,300)
General Fund Continuing									
TOTAL BASE LEVEL	2,958,566,500	2,958,566,500		3,143,711,200	3,114,374,100	(29,337,100)	3,264,829,900	3,237,441,600	(27,388,300)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				19,377,600	21,932,600	2,555,000	25,655,300	29,095,300	3,440,000
Restricted Funds					885,000	885,000			
Federal Funds				45,894,500	54,087,900	8,193,400	60,480,200	68,657,900	8,177,700
TOTAL ADDITIONAL				65,272,100	76,905,500	11,633,400	86,135,500	97,753,200	11,617,700
V. ADDITIONAL BUDGET ITEMS									
1 MTCE	Operations - Replacement of Pharmacy Provider Tax								
(748WC0X01)	Replace the repealed pharmacy provider tax.								
General Fund				13,400,000	13,400,000		13,700,000	13,700,000	
Federal Funds				31,900,000	31,900,000		32,500,000	32,500,000	
Total				45,300,000	45,300,000		46,200,000	46,200,000	
2 EXPAN	Supports for Community Living - Additional Slots								
(748WC0X02)	Provide funds to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002.								
General Fund				4,977,600	4,977,600		9,955,300	9,955,300	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Medicaid Services

Cabinet/Function: Health Services

Appropriation Unit: Medicaid Services - Benefits

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 EXPAN	Supports for Community Living - Additional Slots									
(748WC0X02)	Provide funds to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002.									
Federal Funds					11,612,700	11,612,700		23,225,700	23,225,700	
Total					16,590,300	16,590,300		33,181,000	33,181,000	
3 EXPAN	Dental Services - Increased Reimbursement									
(748WC0X03)	Provide funds to increase dental reimbursement.									
General Fund						2,415,000	2,415,000		3,300,000	3,300,000
Restricted Funds						885,000	885,000			
Federal Funds						7,860,000	7,860,000		7,844,900	7,844,900
Total						11,160,000	11,160,000		11,144,900	11,144,900
4 EXPAN	Nursing Facility - Increased Reimbursement									
(748WC0X04)	Provide funds to support increased nursing facility reimbursement.									
General Fund					1,000,000	1,000,000		2,000,000	2,000,000	
Federal Funds					2,381,800	2,381,800		4,754,500	4,754,500	
Total					3,381,800	3,381,800		6,754,500	6,754,500	
6 EXPAN	Optometrist Services - Increased Reimbursement									
(748GA02)	Provide funds to increase optometrist reimbursement.									
General Fund						140,000	140,000		140,000	140,000
Federal Funds						333,400	333,400		332,800	332,800
Total						473,400	473,400		472,800	472,800
TOTAL ADDITIONAL					65,272,100	76,905,500	11,633,400	86,135,500	97,753,200	11,617,700

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Benefits

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs with a Medicaid Benefits rate of growth of 8.5% between FY 1999-2000 and FY 2000-2001 and 4.4% between FY 2000-2001 and FY 2001-2002. Included in the Base Level Budget is an additional \$708,152,400 in General Fund support, \$226,448,500 in Restricted Funds and \$2,254,410,300 in Federal Funds in FY 2000-2001 and \$757,207,700 in General Fund support, \$213,744,900 in Restricted Funds and \$2,340,077,300 in Federal Funds in FY 2001-2002 to support increased costs due to replacing funds previously collected from the pharmacy provider tax, correcting the structural imbalance and maintaining existing Medicaid Benefits.

A consensus group, consisting of the Cabinet for Health Services, Governor's Office for Policy and Management and Governor's Office of Economic Analysis, forecasted Medicaid Benefits budgets based on an actuarial analysis of the cost per eligible by type of eligible performed by Pricewaterhouse Coopers, LLP.

The Branch Budget recommends \$93,881,200 in FY 2000-2001 and \$104,993,400 in FY 2001-2002 for the Kentucky Childrens' Health Insurance Program, including \$12,546,000 in General Fund support, \$6,896,800 in Restricted Funds and \$74,438,400 in Federal Funds in FY 2000-2001 and \$12,934,900 in General Fund support, \$8,840,700 in Restricted Funds and \$83,217,800 in Federal Funds in FY 2001-2002. Additional funds are provided as follows: a) \$13,400,000 in General Fund support and \$31,900,000 in Federal Funds in FY 2000-2001 and \$13,700,000 in General Fund support and \$32,500,000 in Federal Funds in FY 2001-2002 to replace the repealed pharmacy provider tax which expires as of July 1, 2000; b) \$4,977,600 in General Fund support and \$11,612,700 in Federal Funds in FY 2000-2001 and \$9,955,300 in General Fund support and \$23,225,700 in Federal Funds in FY 2001-2002 to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002 for the Supports for Community Living Program; and, c) \$1,000,000 in General Fund support and \$2,381,800 in Federal Funds in FY 2000-2001 and \$2,000,000 in General Fund support and \$4,754,500 in Federal Funds in FY 2001-2002 to support increased nursing facility reimbursements.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs that these funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services. Any General Fund appropriation unexpended in fiscal years 1999-2000 and 2000-2001 shall not lapse, but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions that direct: a) Hospital Indigent Patient Reporting: Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments; b) Hospital Indigent Patient Billing: Hospitals shall not bill patients for services where the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services; c) Provider Tax Information: Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that they have paid provider tax shall also post, in the same size type set as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection; d) Indigent Care Posting: Any provider who receives payment from the Disproportionate Share Hospital Program shall post a sign conspicuously in the lobby, in at least a 16-point type set, stating that they participate in the Disproportionate Share Hospital Program and are consequently required to provide indigent care. Failure to comply with this provision shall result in suspension from the Disproportionate Share Hospital Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection; e) Settlement of Obligations Incurred Prior to Prepaid Capitation:

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Benefits

The Department is authorized to fulfill financial obligations incurred prior to implementation of prepaid capitation; f) Disproportionate Share Hospital Payments: Disproportionate Share Hospital payments shall not exceed the maximum amounts established in the Federal Balanced Budget Act of 1997; g) Quality and Charity Care Trust Fund: No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Disproportionate Share Program (DSH) for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. The Secretary of the Cabinet for Health Services shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and indicate whether the patient is classified as indigent or medically needy. Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions; and, h) Medicaid Budget Analysis Reports: The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligible, and average monthly cost per eligible by eligibility category along with current trailing 12 month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.

The following Branch Budget assumptions are reflected in Current Services/Maintenance projections:

Blended Federal Match rates for Medicaid Benefits are projected to be: 70.43% for FY 2000-2001 and 70.39% for FY 2001-2002.

Average Current Monthly Medicaid Eligibles: Actual - 517,700 in FY 1998-1999; Projected: 516,000 in FY 1999-2000; 546,500 in FY 2000-2001; and, 549,400 in FY 2001-2002. Increases in Medicaid eligible are projected in FY 2000-2001 and FY 2001-2002 due to additional Medicaid eligible being identified and enrolled through KCHIP outreach efforts statewide.

KCHIP Eligibles: Actual FY 1998-1999: 29,000; Projected: 30,000 in FY 1999-2000; 45,000 in FY 2000-2001; and 50,000 in FY 2001-2002. Carryforward dollars are projected to be: \$109,886,800 in Restricted Fund in FY 2000-2001 and \$48,518,100 in FY 2001-2002.

Provider tax collections, with the repeal of the physicians' provider tax being complete as of July 1999, and the repeal of the pharmacy provider tax being complete in July 2000, are projected as follows: \$155,183,000 in FY 2000-2001 and \$156,386,100 in FY 2001-2002.

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Medicaid Benefits

Disproportionate Share Hospital (DSH) payments are capped according to the 1997 Federal Balanced Budget Act. Kentucky's federal DSH payment ceiling is \$174,600,000 in FY 2000-2001 and \$164,800,000 in FY 2001-2002. Included in Kentucky's DSH cap are psychiatric DSH caps for state mental hospitals which are \$31,000,000 on FY 2000-2001 and \$29,000,000 in FY 2001-2002. State Teaching Hospital Enhanced DSH payments for the University of Kentucky (UK) and University of Louisville (U of L) Hospitals are not budgeted as payments, but are contingent upon agreement by all parties involved. DSH payments to UK and U of L Hospitals were \$65,000,000 million in FY 1998-1999.

The recommended Branch Budget assumes that the Region 3 (Louisville) Medicaid Partnership will continue to operate. Other areas of the state are expected to operate under Managed Care provisions as allowed under the 1997 Federal Balanced Budget Act.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

Base Level Budget operating funds are redirected for the following additional budget items within Medicaid Services: a) \$2,415,000 in General Fund support, \$885,000 in Restricted Funds and \$7,860,000 in Federal Funds in FY 2000-2001 and \$3,300,000 in General Fund support and \$7,844,900 in Federal Funds in FY 2001-2002 to increase dental reimbursement; and, b) \$140,000 in General Fund support and \$333,400 in Federal Funds in FY 2000-2001 and \$140,000 in General Fund support and \$332,800 in Federal Funds in FY 2001-2002 to increase optometrists' reimbursements.

Base level operating funds totaling \$5,235,000 in General Fund support in FY 2000-2001 and \$4,669,700 in General Fund support in FY 2001-2002 are redirected to additional funding items in other agencies within the Cabinet for Health Services. Federal Funds are reduced \$12,468,700 in FY 2000-2001 and \$11,100,900 in FY 2001-2002 to reflect anticipated receipts and expenditures.

The General Assembly adds Part I, Operating Budget, language, relating to an allowable Medicaid Benefits General Fund transfer, as follows: If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of necessary expenses for Medicaid Benefits, an amount up to \$4,000,000 may be used for Medicaid Administration, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management. Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management.

The General Assembly provides Part IX, Special Provisions, within the Medicaid Administration Budget Unit language provisions relating to Dental Reimbursement, the Medicaid Nursing Facility Allocation, Optometrists' Reimbursement, Kentucky Patient Access to Care (KenPAC) Program Reimbursement, Acquired Brain Injury with Neurobehavioral Disorders, Medicaid Service Category Expenditure Information and Medicaid Managed Care Administrative Costs as follows:

FB 2000-2002 BUDGET MODIFICATION REPORT

Medicaid Benefits

- b) Dental Reimbursement: The Department for Medicaid Services shall increase dental reimbursement by \$11,160,000 in FY 2000-2001 and \$11,144,900 in FY 2001-2002.
- c) Medicaid Nursing Facility Allocation: The Medicaid Nursing Facility allocation for FY 1999-2000 of \$551,000,000 shall be increased a minimum of 3.1% in each year of the biennium to cover normal inflationary costs of operation. In addition to this inflationary base adjustment, \$1,000,000 in General Fund support in fiscal year 2000-2001 and \$2,000,000 in fiscal year 2001-2002 in General Fund support is provided to implement the revised Nursing Facility Prospective Payment System.
- d) Optometrists' Reimbursement: The Department for Medicaid Services shall increase optometrists' reimbursement by \$473,400 in FY 2000-2001 and \$472,800 in FY 2001-2002.
- e) Kentucky Patient Access to Care Program (KenPAC) Reimbursement: The Medicaid Benefits Budget includes funds to implement an Enhanced KenPAC Program with reimbursement to gatekeeper providers on a sliding scale of \$3 to \$9 per member per month based upon performance and quality criteria. The Department for Medicaid Services shall promulgate administrative regulations to implement an enhanced KenPAC program to be effective July 1, 2000.
- f) Acquired Brain Injuries with Neurobehavioral Disorders: The Department for Medicaid Services shall work with entities providing care for individuals with acquired brain injuries accompanied by psychiatric disorders to explore options including waivers, alternative funding mechanisms and facility reclassification that may result in individuals with these conditions who qualify for Medicaid support being served in facilities in Kentucky using state and federal matching funds. If a feasible funding mechanism can be developed within the existing Medicaid Benefits framework, the Department for Medicaid Services shall be authorized to institute a pilot project to develop and implement a neurobehavioral treatment program in Kentucky. Maximum total expenditures for such a pilot program shall be limited to \$1,600,000 in each year of the biennium. If the Department for Medicaid Services institutes such a pilot project, prior to beginning the project, the Department shall submit a description of the project, including projected cost, funding sources and number of individuals to be served which shall be forwarded to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue. Quarterly progress reports shall be submitted to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue.
- g) Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or Cabinet for Health Services shall be made, until the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services and special expenditures/offsets, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request. The Department for Medicaid Services, by July 1, 2000, shall promulgate administrative regulations to implement the provisions of this Section.

FB 2000-2002
BUDGET MODIFICATION REPORT

Medicaid Benefits

h) Medicaid Managed Care Administrative Costs: The Department for Medicaid Services shall collect information on Medicaid managed care organization administrative costs for each contracting entity and forward this information to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. No Medicaid managed care entity's administrative costs shall exceed 15% of the total Medicaid managed care contract cost.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Public Health
Appropriation Unit: Public Health

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				13,644,800		(13,644,800)	21,084,700		(21,084,700)
General Fund	56,291,700	56,291,700		63,490,900	64,514,400	1,023,500	64,268,600	65,028,100	759,500
Restricted Funds	9,716,000	9,716,000		12,911,400	12,830,200	(81,200)	15,606,300	15,427,900	(178,400)
Federal Funds	129,841,200	129,841,200		122,036,400	122,036,400		122,032,300	122,032,300	
Regular Total Funds	195,848,900	195,848,900		212,083,500	199,381,000	(12,702,500)	222,991,900	202,488,300	(20,503,600)
General Fund Continuing	297,000	297,000							
GRAND TOTAL FUNDS	196,145,900	196,145,900		212,083,500	199,381,000	(12,702,500)	222,991,900	202,488,300	(20,503,600)
II. EXPENDITURE CATEGORY									
Personnel Costs	28,919,600	28,919,600		29,361,500	29,155,000	(206,500)	30,354,600	30,174,000	(180,600)
Operating Expenses	11,851,800	11,851,800		11,502,400	11,502,400		11,658,200	11,658,200	
Grants, Loans, Benefits	155,125,200	155,125,200		171,059,600	158,563,600	(12,496,000)	180,799,100	160,476,100	(20,323,000)
Capital Outlay	249,300	249,300		160,000	160,000		180,000	180,000	
TOTAL EXPENDITURES	196,145,900	196,145,900		212,083,500	199,381,000	(12,702,500)	222,991,900	202,488,300	(20,503,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	56,291,700	56,291,700		58,299,000	58,079,000	(220,000)	60,064,400	59,844,400	(220,000)
Restricted Funds	9,716,000	9,716,000		8,369,300	8,402,300	33,000	8,371,000	8,395,700	24,700
Federal Funds	129,403,700	129,403,700		121,537,400	121,579,600	42,200	121,512,800	121,560,200	47,400
Regular Total Funds	195,411,400	195,411,400		188,205,700	188,060,900	(144,800)	189,948,200	189,800,300	(147,900)
General Fund Continuing	297,000	297,000							
TOTAL BASE LEVEL	195,708,400	195,708,400		188,205,700	188,060,900	(144,800)	189,948,200	189,800,300	(147,900)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				13,644,800		(13,644,800)	21,084,700		(21,084,700)
General Fund				5,191,900	6,435,400	1,243,500	4,204,200	5,183,700	979,500
Restricted Funds				4,542,100	4,427,900	(114,200)	7,235,300	7,032,200	(203,100)
Federal Funds	437,500	437,500		499,000	456,800	(42,200)	519,500	472,100	(47,400)
TOTAL ADDITIONAL	437,500	437,500		23,877,800	11,320,100	(12,557,700)	33,043,700	12,688,000	(20,355,700)
V. ADDITIONAL BUDGET ITEMS									
2 EXPAN	General Health Support - Local Health Department Insurance Processing Fee Assessment								
(728SA0X02)	Provide funds to reimburse the Personnel Cabinet for the insurance processing fee assessment (\$5 fee per employee) for local health department staff.								
General Fund				191,000	191,000		191,000	191,000	
Total				191,000	191,000		191,000	191,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Public Health
Appropriation Unit: Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3	EXPAN	General Health Support - Local Health Department Funding								
(728SA0X03)	Provide funds to support preventive health services for the indigent through local health departments.									
General Fund					2,000,000	2,000,000		3,500,000	3,000,000	(500,000)
Total					2,000,000	2,000,000		3,500,000	3,000,000	(500,000)
4	EXPAN	General Health Support - Local Health Transitional Training								
(728SA0X04)	Provide funds to support transitional training statewide for local health department staff.									
General Fund					2,500,000	2,000,000	(500,000)			
Total					2,500,000	2,000,000	(500,000)			
5	EXPAN	Public Health Protection and Safety - Food Fee Increase								
(728SPGX01)	Increase food inspection fees and provide General Fund support to replace local health department tax dollars.									
General Fund						900,000	900,000		900,000	900,000
Restricted Funds					1,906,400	1,006,400	(900,000)	1,906,400	1,006,400	(900,000)
Total					1,906,400	1,906,400		1,906,400	1,906,400	
6	EXPAN	Public Health Protection and Safety - Sanitation Fee Increase								
(728SPHX01)	Increase sanitation fees and provide General Fund support to replace local health department tax dollars.									
General Fund						100,000	100,000		100,000	100,000
Restricted Funds					571,600	471,600	(100,000)	571,600	471,600	(100,000)
Total					571,600	571,600		571,600	571,600	
7	EXPAN	Adult & Child Health - HANDS Program								
(728SJBX02)	Provide funds to expand services to 4,600 high-risk families in FY 2000-2001 and 8,000 high-risk families in FY 2001-2002; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									
General Fund (Tobacco)					5,586,700		(5,586,700)	10,522,300		(10,522,300)
Restricted Funds					2,016,000	2,934,800	918,800	4,714,400	5,536,000	821,600
Total					7,602,700	2,934,800	(4,667,900)	15,236,700	5,536,000	(9,700,700)
8	EXPAN	Adult & Child Health - Folic Acid Program								
(728SJBX03)	Provide funds to support services for an additional 125,000 pregnant women in each fiscal year; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Public Health
Appropriation Unit: Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8	EXPAN	Adult & Child Health - Folic Acid Program								
(728SJBX03)	Provide funds to support services for an additional 125,000 pregnant women in each fiscal year; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									
General Fund (Tobacco)					1,530,600		(1,530,600)	1,522,400		(1,522,400)
Total					1,530,600		(1,530,600)	1,522,400		(1,522,400)
9	EXPAN	Adult & Child Health - Women's Cancer Screening Project								
(728SJKX02)	Provide funds to increase the number of womens' cancer screenings by 1,000 in each fiscal year.									
General Fund					200,000	200,000		200,000	200,000	
Total					200,000	200,000		200,000	200,000	
11	NEW	Wage Equity Plan								
(728SA0X05)	Support salary improvement.									
General Fund					300,900	94,400	(206,500)	313,200	132,600	(180,600)
Restricted Funds					48,100	15,100	(33,000)	42,900	18,200	(24,700)
Federal Funds					61,500	19,300	(42,200)	82,000	34,600	(47,400)
Total					410,500	128,800	(281,700)	438,100	185,400	(252,700)
12	NEW	Epidemiology and Health Planning - Universal Childrens' Immunization								
(728SDFX02)	Provide funds to provide universal immunizations for children statewide; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									
General Fund (Tobacco)					2,000,000		(2,000,000)	2,000,000		(2,000,000)
Total					2,000,000		(2,000,000)	2,000,000		(2,000,000)
13	EXPAN	Adult and Child Health - Healthy Start Expansion								
(728SJBX05)	Provide funds to serve an additional 1,000 child care centers in FY 2000-2001 and 2,040 child care centers in FY 2001-2002; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									
General Fund (Tobacco)					2,000,000		(2,000,000)	4,000,000		(4,000,000)
Total					2,000,000		(2,000,000)	4,000,000		(4,000,000)
14	NEW	Adult and Child Health - Establish a Smoking Cessation Program								
(728SJBX06)	Provide funds to establish a statewide smoking cessation program for adults and teens through school-based initiatives; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.									
General Fund (Tobacco)					2,527,500		(2,527,500)	3,040,000		(3,040,000)
Total					2,527,500		(2,527,500)	3,040,000		(3,040,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Public Health
Appropriation Unit: Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
15 NEW	Epidemiology and Health Planning - Bioterrorism and Intimate Partner Violence Grant Programs									
(728SA0X06)	Provide funds for a Public Health Preparedness and Response to Bioterrorism Grant (\$140,700) and the Surveillance of Intimate Partner Violence Grant (\$296,800) Programs.									
Federal Funds		437,500	437,500		437,500	437,500		437,500	437,500	
Total		437,500	437,500		437,500	437,500		437,500	437,500	
16 NEW	Marcum and Wallace Memorial Hospital									
(728GA01)	Provide funds to renovate the emergency room.									
General Fund									100,000	100,000
Total									100,000	100,000
17 NEW	Pendleton County Public Health Department									
(728GA02)	Provide funds to establish a public health education room, provide prostate testing for men and purchase bicycle helmets and child restraint seats.									
General Fund						50,000	50,000			
Total						50,000	50,000			
18 NEW	Buffalo Trace Public Health Department									
(728GA03)	Provide funds to support primary care services.									
General Fund						40,000	40,000			
Total						40,000	40,000			
19 NEW	Harrison County Public Health Department									
(728GA04)	Provide funds to support health education and survey activities.									
General Fund						65,000	65,000			
Total						65,000	65,000			
20 NEW	Hazard Appalachian Regional Hospital									
(728GA05)	Provide funds to establish a cardiac rehabilitation agency in Perry County.									
General Fund						500,000	500,000			
Total						500,000	500,000			

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Public Health
Appropriation Unit: Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
21 NEW	Helping Hands - Elizabethtown									
(728GA06)	Provide funds to support operating costs.									
General Fund Total						50,000	50,000			
						50,000	50,000			
25 NEW	Henderson County Public Health Department									
(728GA10)	Provide funds to support operating costs.									
General Fund Total						25,000	25,000		25,000	25,000
						25,000	25,000		25,000	25,000
26 NEW	Bracken County Public Health Department									
(728GA11)	Provide funds to support capital costs.									
General Fund Total						200,000	200,000		200,000	200,000
						200,000	200,000		200,000	200,000
27 NEW	Fogertown Wellness Program									
(728GA12)	Provide funds to support operating costs in Fogertown, Kentucky.									
General Fund Total						6,700	6,700		3,400	3,400
						6,700	6,700		3,400	3,400
28 NEW	Brightshade Wellness Program									
(728GA13)	Provide funds to support operating costs in Brightshade, Kentucky.									
General Fund Total						6,700	6,700		3,400	3,400
						6,700	6,700		3,400	3,400
29 NEW	Oneida Wellness Program									
(728GA14)	Provide funds to support operating costs in Oneida, Kentucky.									
General Fund Total						6,600	6,600		3,300	3,300
						6,600	6,600		3,300	3,300

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Public Health

Cabinet/Function: Health Services

Appropriation Unit: Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
30 NEW	Mobile Health Unit - Operations									
(728GA15)	Provide funds to support the operation of a Mobile Health Unit to serve as a free clinic in eastern Kentucky.									
General Fund									325,000	325,000
Total									325,000	325,000
TOTAL ADDITIONAL		437,500	437,500		23,877,800	11,320,100	(12,557,700)	33,043,700	12,688,000	(20,355,700)

FB 2000-2002 BUDGET MODIFICATION REPORT

Public Health

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs in FB 2000-2002. Increased funding is provided for increased costs for current services for the following: Adult and Child Health; Chronic Diseases/Prevention, EMS, Laboratory (6 PFT positions) and Communicable Diseases.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$300,900, Restricted Funds totaling \$48,100, and Federal Funds totaling \$61,500 in FY 2000-2001 and General Fund support totaling \$313,200, Restricted Funds totaling \$42,900 and Federal Funds totaling \$82,000 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$191,000 in General Fund support in each year to reimburse the Personnel Cabinet for the insurance processing fee assessment (\$5 per employee) for local health department staff; b) \$2 million in General Fund support in FY 2000-2001 and \$3.5 million in General Fund support in FY 2001-2002 to provide funding for preventive health services for the indigent through local health departments; c) \$2.5 million in General Fund support in FY 2000-2001 to provide transitional training for local health department staff; d) \$1,906,400 in Restricted Funds in each year from increased Food Inspection Fees to replace local health department tax dollars to allow local funds to be used to address other local issues; e) \$571,600 in Restricted Funds in each year from increased Sanitation Fees to replace local health department tax dollars to allow local funds to be used to address other local issues; \$5,586,700 in General Fund support (Tobacco Settlement Funds) and \$2,016,000 in Restricted Funds in FY 2000-2001 and \$10,552,300 in General Fund support (Tobacco Settlement Funds) and \$4,714,400 in Restricted Funds in FY 2001-2002 to expand the HANDS Program; f) \$1,530,600 in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$1,522,400 in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to expand the Folic Acid Program for pregnant women; \$200,000 in General Fund support in each year to expand the Women's Cancer Screening Project; g) \$2 million in General Fund support (Tobacco Settlement Funds) in each year to provide recommended universal immunization for children statewide; g) \$2 million in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$4 million in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to expand the Healthy Start Program; and, h) \$2,527,500 in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$3,040,000 in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to establish a statewide smoking cessation program for adults and teens through school-based initiatives.

Additional Federal Funds in the FY 1999-2000 Current Year Appropriation and in FY 2000-2001 and FY 2001-2002 totaling \$437,500 are provided for the following purposes: \$140,700 for a Public Health Preparedness and Response to Bioterrorism Grant and \$296,800 for the Surveillance of Intimate Partner Violence Grant.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs: Notwithstanding other provisions to the contrary, the Secretary shall promulgate such administrative regulations as may be required to prescribe user fee amounts which are provided in the applicable agency fund appropriations.

FB 2000-2002 BUDGET MODIFICATION REPORT

Public Health

The Branch Budget Bill, Part IX, Special Provisions, contains language provisions relating to Core Public Health Functions, Local Health Department Transition Training Program Carryforward and TANF fund transfers from the Cabinet for Families and Children to the Department for Public Health that direct: a) Core Public Health Functions: Kentucky Public Health Departments shall, to the extent possible, perform the following core public health functions: enforcement of public health regulations; surveillance of public health; communicable disease control; public health education; public health policy development; reduction of risk to families and children; and disaster preparedness; b) Local Health Department Transition Training Program Carryforward: Any General Fund appropriation unexpended in fiscal year 2000-2001 for the Local Health Department Funding Transition Training within the Department for Public Health shall not lapse, but shall be carried forward into fiscal year 2001-2002, notwithstanding KRS 45.229; and, c) Funds Transfer: To the extent allowed by federal regulations and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted as long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$128,800 in FY 2000-2001 and \$185,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly reduces General Fund support for preventive health services for the indigent through local health departments by \$500,000 in FY 2001-2002 and General Fund support provided for local health department staff transitional training by \$500,000 in FY 2000-2001, and transfers these dollars to the Base Level Budget in the Department for Mental Health/Mental Retardation.

The General Assembly provides additional General Fund support totaling \$900,000 in each fiscal year to partially replace Food Inspection Fee increases proposed by local health departments, and as a result reduces Restricted Funds in a like amount each fiscal year. The additional General Fund support shall be transferred to local health departments to allow local funds to be utilized for other purposes.

The General Assembly provides additional General Fund support totaling \$100,000 in each fiscal year to partially replace Sanitation Fee increases proposed by local health departments, and as a result reduces Restricted Funds in a like amount each fiscal year. The additional General Fund support shall be transferred to local health departments to allow local funds to be utilized for other purposes.

FB 2000-2002 BUDGET MODIFICATION REPORT

Public Health

The General Assembly increases Restricted Funds projections for the HANDS Program by a total of \$918,800 in FY 2000-2001 and \$821,600 in FY 2001-2002.

The General Assembly provides additional Federal Funds totaling \$437,500 in the FY 1999-2000 Current Year appropriation and in FY 2000-2001 and FY 2001-2002 for a Public Health Preparedness and Response to Bioterrorism Grant (\$140,000) and the Surveillance of Intimate Partner Violence Grant (\$296,800).

General Fund support totaling \$100,000 in each year from the Base Level Budget is transferred to the University of Kentucky for ovarian cancer screening, and \$120,000 in General Fund support in each year from the Base Level Budget is transferred to the Morehead State University Wellness Program.

Additional General Fund support is provided as follows: a) \$100,000 in FY 2001-2002 to renovate the emergency room in Marcum and Wallace Memorial Hospital; b) \$50,000 in FY 2000-2001 to provide funds to establish a public health education room, provide prostate testing for men and purchase bicycle helmets and child-restraint seats in the Pendleton County Public Health Department; c) \$40,000 in FY 2000-2001 to provide funds to support primary care services in Buffalo Trace County Public Health Department; d) \$65,000 in FY 2000-2001 to provide funds to support health education and survey activities in the Harrison County Public Health Department; e) \$500,000 in FY 2000-2001 to provide funds to establish a cardiac rehabilitation facility in Perry County; g) \$50,000 in FY 2000-2001 to provide funds to support operating costs for the Helping Hands program in Elizabethtown; f) \$25,000 in each year to provide funds to support operating costs in the Henderson County Public Health Department; g) \$200,000 in each year to provide funds for capital costs in the Bracken County Public Health Department; h) \$6,700 in FY 2000-2001 and \$3,400 in FY 2001-2002 to provide funds to support operating costs for a wellness program in Fogertown, Kentucky; i) \$6,700 in FY 2000-2001 and \$3,400 in FY 2001-2002 to provide funds to support operating costs for a wellness program in Brightshade, Kentucky; k) \$6,600 in FY 2000-2001 and \$3,300 in FY 2001-2002 to provide funds to support operating costs for a wellness program in Oneida, Kentucky; and, k) \$325,000 in FY 2001-2002 for a Mobile Health Unit to serve eastern Kentucky.

The General Assembly transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement as follows in comparison with the Branch Budget recommendation:

FB 2000-2002 BUDGET MODIFICATION REPORT

Public Health

	Branch		General Assembly	
	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>
Phase I Tobacco Settlement Funding Program				
I. Early Childhood Development Initiatives				
Adult and Child Health, HANDS Program	\$5,586,700	\$10,522,300	\$5,586,700	\$9,522,300
Adult and Child Health, Folic Acid Program	\$1,530,600	\$1,522,400	\$2,030,600	\$1,522,400
Epidemiology and Health Planning, Universal Childrens' Immunization Program	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Adult and Child Health, Healthy Start Expansion	<u>\$2,000,000</u>	<u>\$4,000,000</u>	<u>\$2,000,000</u>	<u>\$2,100,000</u>
Subtotal	\$11,117,300	\$18,044,700	\$11,617,300	\$15,144,700
II. Health Care Improvement Initiative				
Adult and Child Health, Smoking Cessation Program	<u>\$2,527,500</u>	<u>\$3,040,000</u>	<u>\$2,527,500</u>	<u>\$3,040,000</u>
Total - Health Services	\$13,644,800	\$21,084,700	\$14,144,800	\$18,184,700

The General Assembly adds Part IX, Special Provisions, relating to the Kentucky Regional Control Center, Manchester Wellness Centers, and Abstinence Education as follows:

- c) Kentucky Regional Poison Control Center: The contract for the operation of the Kentucky Regional Poison Control Center shall equal at least \$1,000,000 in each fiscal year, absent any pass-through to any other entities;
- d) Manchester Wellness Centers: General Fund support totaling \$30,000 in FB 2000-2002 is provided for the Wellness Program in Manchester to be equally divided between the communities of Fogertown, Brightshade, and Oneida (Clay County); and,
- e) Abstinence Education: The department shall use Federal Funds and state matching funds under Title V of the Federal Social Security Act, 42 U.S.C. sec. 710, in the following manner: Ninety-five percent (95%) shall be used for community-based grants to institute abstinence education programs; five percent (5%) shall be used to administer and evaluate the effectiveness of the program; and if funds are available after funding community-based programs, the remainder shall be used to promote abstinence education by other means, including an advertising and marketing campaign.

FB 2000-2002
BUDGET MODIFICATION REPORT

Public Health

The General Assembly amends the Part IX, Special Provisions, language provision relating to Funds Transfers as follows:

f) Funds Transfer: To the extent allowed by federal regulations and the provisions of KRS 48.630, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted as long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	158,871,800	158,871,800		171,423,300	172,231,600	808,300	182,477,200	182,904,300	427,100
Restricted Funds	138,114,600	138,114,600		147,311,800	146,559,800	(752,000)	154,320,100	153,172,900	(1,147,200)
Federal Funds	43,549,700	43,549,700		45,592,300	45,587,300	(5,000)	45,730,000	45,723,600	(6,400)
Regular Total Funds	340,536,100	340,536,100		364,327,400	364,378,700	51,300	382,527,300	381,800,800	(726,500)
General Fund Continuing									
GRAND TOTAL FUNDS	340,536,100	340,536,100		364,327,400	364,378,700	51,300	382,527,300	381,800,800	(726,500)

II. EXPENDITURE CATEGORY

Personnel Costs	124,900,100	124,900,100		134,936,200	133,202,100	(1,734,100)	144,582,500	142,289,000	(2,293,500)
Operating Expenses	20,213,400	20,213,400		21,430,500	21,430,500		23,001,600	23,001,600	
Grants, Loans, Benefits	194,907,600	194,907,600		207,386,200	209,171,600	1,785,400	214,055,500	215,566,500	1,511,000
Debt Service							646,000	702,000	56,000
Capital Outlay	515,000	515,000		574,500	574,500		241,700	241,700	
TOTAL EXPENDITURES	340,536,100	340,536,100		364,327,400	364,378,700	51,300	382,527,300	381,800,800	(726,500)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	158,871,800	158,871,800		169,704,800	169,204,800	(500,000)	179,745,500	178,781,100	(964,400)
Restricted Funds	138,114,600	138,114,600		146,348,400	146,353,400	5,000	152,841,800	152,848,200	6,400
Federal Funds	43,549,700	43,549,700		45,586,000	45,586,000		45,721,900	45,721,900	
Regular Total Funds	340,536,100	340,536,100		361,639,200	361,144,200	(495,000)	378,309,200	377,351,200	(958,000)
General Fund Continuing									
TOTAL BASE LEVEL	340,536,100	340,536,100		361,639,200	361,144,200	(495,000)	378,309,200	377,351,200	(958,000)

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				1,718,500	3,026,800	1,308,300	2,731,700	4,123,200	1,391,500
Restricted Funds				963,400	206,400	(757,000)	1,478,300	324,700	(1,153,600)
Federal Funds				6,300	1,300	(5,000)	8,100	1,700	(6,400)
TOTAL ADDITIONAL				2,688,200	3,234,500	546,300	4,218,100	4,449,600	231,500

V. ADDITIONAL BUDGET ITEMS**4 EXPAN Community Mental Health - Deaf and Hard of Hearing Services - Additional Staff Positions**

(729TB0X04) Provide funds to support an additional 2 PFT therapist positions in each fiscal year.

General Fund				125,000	125,000		250,000	250,000	
Total				125,000	125,000		250,000	250,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
5	EXPAN	Community Mental Health - Rape Crisis Services - Expand Services to Additional Clients								
(729TB0X05)	Provide funds to serve 200 additional clients in each year through 13 existing centers.									
General Fund					350,000	350,000		375,000	375,000	
Total					350,000	350,000		375,000	375,000	
6	NEW	Mental Health/Mental Retardation - Wage Equity Plan								
(729TA0X03)	Support salary improvement.									
General Fund					1,243,500	266,400	(977,100)	1,460,700	320,800	(1,139,900)
Restricted Funds					963,400	206,400	(757,000)	1,478,300	324,700	(1,153,600)
Federal Funds					6,300	1,300	(5,000)	8,100	1,700	(6,400)
Total					2,213,200	474,100	(1,739,100)	2,947,100	647,200	(2,299,900)
7	NEW	Central and Western State Hospitals (Debt Service)								
(729TS0X02)	Provide funds to support debt service for Bonding Authority totaling \$2,457,000 to replace the boiler at Central State Hospital and \$3,880,000 to build a new power plant at Western State Hospital.									
General Fund								646,000	646,000	
Total								646,000	646,000	
9	NEW	Wayland Therapeutic Rehabilitation Center								
(729GA03)	Provide funds to support an outreach worker.									
General Fund						25,000	25,000		25,000	25,000
Total						25,000	25,000		25,000	25,000
10	NEW	Mountain Comprehensive Care Center								
(729GA04)	Provide additional funding to support an adult crisis stabilization unit.									
General Fund						100,000	100,000		100,000	100,000
Total						100,000	100,000		100,000	100,000
11	NEW	Castlewood Prader-Willis Syndrome Group Home								
(729GA05)	Provide funds to support operating costs.									
General Fund						130,000	130,000		130,000	130,000
Total						130,000	130,000		130,000	130,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
12 NEW	Bluegrass Regional MH/MR Board									
(729GA06)	Provide funds to support operating costs in one new adult and one new childrens' crisis stabilization unit.									
General Fund						650,000	650,000		650,000	650,000
Total						650,000	650,000		650,000	650,000
13 NEW	Day Springs Cerebral Palsy School; GENERAL ASSEMBLY: Day Springs Group Home									
(729GA07)	Provide funds to establish support operating costs.									
General Fund						160,000	160,000		160,000	160,000
Total						160,000	160,000		160,000	160,000
14 NEW	Fayette County Group Homes/New Beginnings									
(729GA08)	Provide funds to support operating costs for three home for severely mentally ill adults.									
General Fund						350,000	350,000		450,000	450,000
Total						350,000	350,000		450,000	450,000
15 NEW	Elizabethtown Communicare Comprehensive Care Board - Supported Living Regional Council 5									
(729GA09)	Provide funding support for Supported Living.									
General Fund						200,000	200,000		200,000	200,000
Total						200,000	200,000		200,000	200,000
16 NEW	Elizabethtown Rape Crisis Center									
(729GA10)	Provide funds to support operating costs.									
General Fund						100,000	100,000		100,000	100,000
Total						100,000	100,000		100,000	100,000
17 NEW	Elizabethtown Communicare Comprehensive Care Board									
(729GA11)	Provide funds to support workshop employment.									
General Fund						250,000	250,000		250,000	250,000
Total						250,000	250,000		250,000	250,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
18 NEW	Elizabethtown Communicare Comprehensive Care Board									
(729GA12)	Provide additional funds to support Project Learn.									
General Fund						50,000	50,000		50,000	50,000
Total						50,000	50,000		50,000	50,000
19 NEW	Willowoods Apartments Group Homes									
(729GA13)	Provide funds to renovate an existing facility.									
General Fund						50,000	50,000			
Total						50,000	50,000			
20 NEW	Lifeskills Comprehensive Care Board									
(729GA14)	Provide funds to the Association for Retarded Citizens or affiliate to purchase and operate a van.									
General Fund						20,000	20,000		20,000	20,000
Total						20,000	20,000		20,000	20,000
21 NEW	Roof Repair Pool									
(729GA15)	Provide funds to support debt service for Bond Funds totaling \$500,000 for a roof repair pool.									
General Fund									56,000	56,000
Total									56,000	56,000
22 NEW	Elizabethtown Communicare Comprehensive Care Board - Washington County Duplex									
(729GA16)	Provide funds to support operating costs.									
General Fund									150,000	150,000
Total									150,000	150,000
23 NEW	The Point ARC of Northern Kentucky - Wendover Group Home									
(729GA17)	Provide funds to support operating costs.									
General Fund						25,200	25,200		25,200	25,200
Total						25,200	25,200		25,200	25,200

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Mental Health/Mental Retardation

Cabinet/Function: Health Services

Appropriation Unit: Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
24 NEW	The Point ARC of Northern Kentucky - Hancock Group Home									
(729GA18)	Provide funds to support operating costs.									
General Fund						15,200	15,200		15,200	15,200
Total						15,200	15,200		15,200	15,200
25 NEW	The Point ARC of Northern Kentucky - Point Ridge Group Home									
(729GA19)	Provide funds to support operating costs.									
General Fund						10,000	10,000			
Total						10,000	10,000			
26 NEW	Boys and Girls Clubs of America's National Prevention Program									
(729GA20)	Provide funds for alcohol and substance abuse treatment services.									
General Fund						150,000	150,000		150,000	150,000
Total						150,000	150,000		150,000	150,000
TOTAL ADDITIONAL					2,688,200	3,234,500	546,300	4,218,100	4,449,600	231,500

FB 2000-2002 BUDGET MODIFICATION REPORT

Mental Health/Mental Retardation

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$1,243,500, Restricted Funds totaling \$963,400 and Federal Funds totaling \$6,300 in FY 2000-2001 and General Fund support totaling \$1,460,700, Restricted Funds totaling \$1,478,300 and Federal Funds totaling \$8,100 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$125,000 in General Fund support in FY 2000-2001 and \$250,000 in General Fund support in FY 2001-2002 for two PFT therapist positions in each year for expanding deaf and hard of hearing services; and, b) \$350,000 in General Fund support in FY 2000-2001 and \$375,000 in General Fund support in FY 2001-2002 to expand services to additional clients in the 13 existing Rape Crisis Centers.

Included in the Base Budget is \$3,864,900 in General Fund support and \$2,750,000 in Restricted Funds in FY 2000-2001 and \$4,552,000 in General Fund support and \$3,000,000 in Restricted Funds in FY 2001-2002 to expand the Kentucky Early Intervention Services (KEIS - First Steps) Program.

Additional Funds are included in the Medicaid Benefits Budget for the Supports for Community Living Program (250 slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002), and to maintain current service levels at Hazelwood, Oakwood and Central State Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled through increased staffing levels.

Additional General Fund support totaling \$646,000 is provided for debt service for the following projects, as authorized in the Capital Projects Budget: a) boiler replacement at Central State Hospital (\$252,000 debt service - Total Bond Funds - \$2,457,000); and, b) a new power plant at Western State Hospital (\$394,000 debt service - Total Bond Funds - \$3,880,000).

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Disproportionate Share Hospital Funds and Restricted Funds Carryforward that direct: a) Disproportionate Share Hospital Funds: Mental health Disproportionate Share Hospital funds are budgeted at the maximum amounts permitted by the Balanced Budget Act of 1997 in the amount of \$30,900,000 in fiscal year 2000-2001 and \$29,200,000 in fiscal year 2001-2002; and, b) Restricted Funds Carry Forward: Any Restricted Funds carryforward, up to \$900,000 each fiscal year, may be used by the Department for Mental Health and Mental Retardation Services for planned replacement of computers and software in the Residential Services Program.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funds for the following capital projects and equipment purchases: a) Bond Funds totaling \$2,457,000 in FY 2000-2001 to replace the boiler at Central State Hospital and \$3,880,000 in FY 2000-2001 to construct a new power plant at Western State Hospital; b) \$500,000 in General Fund support in FY 2000-2001 for a miscellaneous roof replacement project pool; c) \$700,000 in Investment Income in FY 2000-2001 and

FB 2000-2002 BUDGET MODIFICATION REPORT

Mental Health/Mental Retardation

\$1,840,000 in Investment Income in FY 2001-2002 for a miscellaneous projects maintenance pool; d) \$850,000 in Emergency Repair, Maintenance and Replacement Fund in FY 2000-2001 to replace the water piping system at Eastern State Hospital; and, e) \$839,000 in Emergency Repair, Maintenance and Replacement Fund in FY 2000-2001 for chiller replacement in statewide facilities.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property at Fair Oaks Lane in Franklin County with a cost that exceeds \$200,000 per year.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly provides additional General Fund support for the Base Level Budget totaling \$500,000 in each fiscal year.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$474,100 in FY 2000-2001 and \$647,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support is provided as follows: a) \$25,000 in each year to support an outreach worker at the Wayland Therapeutic Rehabilitation Center; b) \$100,000 in each year to support an adult crisis stabilization unit at Mountain Comprehensive Care Center; c) \$130,000 in each year to support operating costs at the Castlewood Prader-Willis Syndrome Group Home; d) \$650,000 in each year to the Bluegrass Regional MH/MR Board to support operating costs in one new adult and one new childrens' crisis stabilization unit; e) \$160,000 in each year to establish and support operating costs at the Day Springs Group Home; f) \$350,000 in FY 2000-2001 and \$450,000 in FY 2001-2002 to support operating costs in three Fayette County Group Homes, New Beginnings, for severely mentally ill adults; g) \$200,000 in each year for Supported Living at the Elizabethtown Communicare Comprehensive Care Board, Supported Living Regional Council 5; h) \$100,000 in each year to support operating costs in a rape crisis center in Elizabethtown; i) \$250,000 in each year to support workshop employment at the Elizabethtown Communicare Comprehensive Care Board; j) \$50,000 each year to provide additional funds to support Project Learn at the Elizabethtown Communicare Comprehensive Care Board; k) \$50,000 in FY 2000-2001 to renovate the Willowood Apartments Group Homes; l) \$20,000 in each year to provide funds to Lifeskills Comprehensive Care Board as a pass-through to the Association of Retarded Citizens, or an affiliate, to purchase and operate a van; m) \$150,000 in FY 2001-2002 to support operating costs of the Elizabethtown Communicare Comprehensive Care Board Washington County Duplex; n) \$25,200 in each fiscal year to support operating costs in The Point ARC of Northern Kentucky Wendover Group Home; o) \$15,200 in each fiscal year to support operating costs in The Point ARC of Northern Kentucky Hancock Group Home; p) \$10,000 in FY 2000-2001 to support operating costs in The Point ARC of Northern Kentucky Point Ridge Group Home; and, q) \$150,000 in each fiscal year for the Boys and Girls Clubs of America's National Prevention Program for alcohol and substance abuse treatment services.

FB 2000-2002 BUDGET MODIFICATION REPORT

Mental Health/Mental Retardation

Additional General Fund support totaling \$56,000 in FY 2001-2002 is provided to support Bond Funds totaling \$500,000 to establish a Roof Repair Pool. The Bond Funds are provided in Part II, Capital Projects Budget.

The General Assembly identifies the Day Springs Cerebral Palsy School as the Day Springs Group Home.

The General Assembly adds Part IX, Special Provisions, language provisions relating to Kentucky Early Intervention System Analysis Reports, the Castlewood Prader Willis Syndrome Group Home, The Healing Place Homeless Shelter and the Elizabethtown Communicare Comprehensive Care Board Washington County Duplex as follows:

- c) Kentucky Early Intervention System Analysis Reports: The Department for Mental Health/Mental Retardation shall submit a quarterly budget analysis report for the Kentucky Early Intervention Services program to the Interim Joint Committee on Appropriations and Revenue. The report shall provide the number of children enrolled, the average number of service units by category of service, and the average cost per service, by category of services, and compare actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.
- d) Castlewood Prader Willis Syndrome Group Home: The contract for the operation of the Castlewood Prader Willis Syndrome Group Home shall equal at least \$233,000 in each fiscal year, absent any pass-throughs to any other entities.
- e) The Healing Place Homeless Shelter: The total contract amount for the operation of the Healing Place Homeless Shelter shall be paid by the Department for Mental Health/Mental Retardation directly to the Healing Place Homeless Shelter and shall not pass through any other entity.
- f) Elizabethtown Comprehensive Care Board Washington County Duplex: The contract for the operation of the Elizabethtown Communicare Comprehensive Care Board Washington County Duplex shall equal at least \$150,000 each fiscal year beginning in FY 2001-2002.

In Part XI, Tobacco Settlement, the General Assembly provides Phase I Tobacco Settlement General Fund appropriations under the Early Childhood Development Initiatives for the Substance Abuse Treatment Program for Medicaid-Eligible Women with Dependent Children in the amount of \$1,000,000 in each fiscal year.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				500,000		(500,000)			
Bond Funds				6,337,000	6,837,000	500,000			
Investment Income				700,000	700,000		1,840,000	1,840,000	
Emer. Repair & Maint.				1,689,000	1,689,000				
TOTAL CAPITAL				9,226,000	9,226,000		1,840,000	1,840,000	

II. CAPITAL PROJECTS

1 (7290268)	Water Piping Replacement System - Eastern State Hospital								
Emer. Repair & Maint.				850,000	850,000				
Total				850,000	850,000				
2 (7290238)	New Power Plant - Western State Hospital								
Bond Funds				3,880,000	3,880,000				
Total				3,880,000	3,880,000				
3 (7290266)	Maintenance Pool								
Investment Income				700,000	700,000		1,840,000	1,840,000	
Total				700,000	700,000		1,840,000	1,840,000	
4 (7291377)	Miscellaneous Roof Replacement/Repair Pool								
General Fund				500,000		(500,000)			
Bond Funds					500,000	500,000			
Total				500,000	500,000				
5 (7291378)	Franklin County - Lease (Fair Oaks Building)								
Total									
6 (7290255)	Boiler Replacement - Central State Hospital								
Bond Funds				2,457,000	2,457,000				
Total				2,457,000	2,457,000				
9 (7290245)	Statewide Chiller Replacement								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Mental Health/Mental Retardation
Appropriation Unit: Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
II. CAPITAL PROJECTS									
9 (7290245) Statewide Chiller Replacement									
Emer. Repair & Maint.				839,000	839,000				
Total				839,000	839,000				
<hr/>									
TOTAL				9,226,000	9,226,000		1,840,000	1,840,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Children with Special Health Care Needs
Appropriation Unit: Children with Special Health Care Needs

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)				1,100,800		(1,100,800)	605,300		(605,300)
General Fund	6,190,600	6,190,600		6,006,600	5,943,000	(63,600)	6,237,100	6,176,100	(61,000)
Restricted Funds	5,100,000	5,100,000		3,495,100	3,495,100		3,179,000	3,179,000	
Federal Funds	5,270,200	5,270,200		4,668,800	4,668,800		4,669,000	4,669,000	
Regular Total Funds	16,560,800	16,560,800		15,271,300	14,106,900	(1,164,400)	14,690,400	14,024,100	(666,300)
General Fund Continuing									
GRAND TOTAL FUNDS	16,560,800	16,560,800		15,271,300	14,106,900	(1,164,400)	14,690,400	14,024,100	(666,300)
II. EXPENDITURE CATEGORY									
Personnel Costs	8,083,300	8,083,300		8,223,100	7,986,200	(236,900)	8,728,700	8,490,000	(238,700)
Operating Expenses	1,642,300	1,642,300		1,444,300	1,444,300		1,447,400	1,447,400	
Grants, Loans, Benefits	6,810,200	6,810,200		5,455,600	4,528,100	(927,500)	4,446,900	4,019,300	(427,600)
Capital Outlay	25,000	25,000		148,300	148,300		67,400	67,400	
TOTAL EXPENDITURES	16,560,800	16,560,800		15,271,300	14,106,900	(1,164,400)	14,690,400	14,024,100	(666,300)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	6,190,600	6,190,600		5,919,600	5,919,600		6,141,100	6,141,100	
Restricted Funds	5,100,000	5,100,000		3,495,100	3,495,100		3,179,000	3,179,000	
Federal Funds	5,270,200	5,270,200		4,621,700	4,656,100	34,400	4,617,100	4,650,500	33,400
Regular Total Funds	16,560,800	16,560,800		14,036,400	14,070,800	34,400	13,937,200	13,970,600	33,400
General Fund Continuing									
TOTAL BASE LEVEL	16,560,800	16,560,800		14,036,400	14,070,800	34,400	13,937,200	13,970,600	33,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)				1,100,800		(1,100,800)	605,300		(605,300)
General Fund				87,000	23,400	(63,600)	96,000	35,000	(61,000)
Federal Funds				47,100	12,700	(34,400)	51,900	18,500	(33,400)
TOTAL ADDITIONAL				1,234,900	36,100	(1,198,800)	753,200	53,500	(699,700)
V. ADDITIONAL BUDGET ITEMS									
7 NEW	Handicapped Childrens' Program - Universal Newborn Hearing Screening								
(767YA0X07)	Provide Phase I Tobacco Settlement Funds to establish a universal newborn hearing screening program statewide; GENERAL ASSEMBLY: Appropriates General Fund Phase I Tobacco Settlement dollars in Part XI, Tobacco Settlement Funding Program.								
General Fund (Tobacco)				1,100,800		(1,100,800)	605,300		(605,300)
Total				1,100,800		(1,100,800)	605,300		(605,300)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Children with Special Health Care Needs
Appropriation Unit: Children with Special Health Care Needs

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8 NEW	Wage Equity Plan									
(767YA0X08)	Support salary improvement.									
General Fund					87,000	23,400	(63,600)	96,000	35,000	(61,000)
Federal Funds					47,100	12,700	(34,400)	51,900	18,500	(33,400)
Total					134,100	36,100	(98,000)	147,900	53,500	(94,400)
TOTAL ADDITIONAL					1,234,900	36,100	(1,198,800)	753,200	53,500	(699,700)

FB 2000-2002 BUDGET MODIFICATION REPORT

Children with Special Health Care Needs

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs and equals \$87,000 in General Fund support and \$47,100 in Federal Funds in FY 2000-2001 and \$96,000 in General Fund support and 51,900 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: General Fund support (Phase I Tobacco Settlement Funds) totaling \$1,100,800 in FY 2000-2001 and General Fund support (Phase I Tobacco Settlement Funds) totaling \$605,300 in FY 2001-2002 to establish a statewide newborn hearing screening program.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement. The sum of \$1,100,800 in FY 2000-2001 and \$605,300 in FY 2001-2002 is appropriated to provide a statewide Universal Newborn Screening Program. Included in the appropriation is \$50,000 in FY 2000-2001 and \$100,000 in FY 2001-2002 for Parent and Provider Training Activities.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$53,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Certificate of Need
Appropriation Unit: Certificate of Need

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	65,800	65,800							
Restricted Funds	384,700	384,700		470,100	462,600	(7,500)	492,100	484,700	(7,400)
Regular Total Funds	450,500	450,500		470,100	462,600	(7,500)	492,100	484,700	(7,400)
General Fund Continuing									
GRAND TOTAL FUNDS	450,500	450,500		470,100	462,600	(7,500)	492,100	484,700	(7,400)
II. EXPENDITURE CATEGORY									
Personnel Costs	395,500	395,500		413,300	405,800	(7,500)	433,500	426,100	(7,400)
Operating Expenses	55,000	55,000		56,800	56,800		58,600	58,600	
TOTAL EXPENDITURES	450,500	450,500		470,100	462,600	(7,500)	492,100	484,700	(7,400)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	65,800	65,800							
Restricted Funds	384,700	384,700		457,700	457,700		477,700	477,700	
Regular Total Funds	450,500	450,500		457,700	457,700		477,700	477,700	
General Fund Continuing									
TOTAL BASE LEVEL	450,500	450,500		457,700	457,700		477,700	477,700	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				12,400	4,900	(7,500)	14,400	7,000	(7,400)
TOTAL ADDITIONAL				12,400	4,900	(7,500)	14,400	7,000	(7,400)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Wage Equity Plan								
(763FA0X01)	Support salary improvement.								
Restricted Funds				12,400	4,900	(7,500)	14,400	7,000	(7,400)
Total				12,400	4,900	(7,500)	14,400	7,000	(7,400)
TOTAL ADDITIONAL				12,400	4,900	(7,500)	14,400	7,000	(7,400)

FB 2000-2002 BUDGET MODIFICATION REPORT

Office of Certificate of Need

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs for FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, equals \$12,400 in Restricted Funds in FY 2000-2001 and \$14,400 in Restricted Funds in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$4,900 in FY 2000-2001 and \$7,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly adds a Part IX, Special Provisions, language provision relating to the Voluntary Relinquishment of a Certificate of Need or Licensure, as follows: For twenty-four (24) months following the voluntary closure, revocation of a certificate of need, or the revocation of licensure, the beds, equipment, and services provided by the closed facility shall be reserved for applications for any certificate of need to reestablish the same services, in whole or part, in the same county as the closed health facility.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Aging Services
Appropriation Unit: Aging Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	23,337,000	23,337,000		23,842,000	25,019,800	1,177,800	24,394,500	25,584,200	1,189,700
Restricted Funds	12,640,300	12,640,300		4,965,500	4,965,500		5,471,300	5,471,300	
Federal Funds	17,158,500	17,158,500		17,153,800	17,153,800		17,148,600	17,148,600	
Regular Total Funds	53,135,800	53,135,800		45,961,300	47,139,100	1,177,800	47,014,400	48,204,100	1,189,700
General Fund Continuing									
GRAND TOTAL FUNDS	53,135,800	53,135,800		45,961,300	47,139,100	1,177,800	47,014,400	48,204,100	1,189,700
II. EXPENDITURE CATEGORY									
Personnel Costs	1,724,300	1,724,300		1,787,500	1,765,300	(22,200)	1,857,700	1,847,400	(10,300)
Operating Expenses	207,700	207,700		204,300	204,300		206,100	206,100	
Grants, Loans, Benefits	51,198,800	51,198,800		43,964,500	45,164,500	1,200,000	44,945,600	46,145,600	1,200,000
Capital Outlay	5,000	5,000		5,000	5,000		5,000	5,000	
TOTAL EXPENDITURES	53,135,800	53,135,800		45,961,300	47,139,100	1,177,800	47,014,400	48,204,100	1,189,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	23,337,000	23,337,000		23,815,300	23,815,300		24,377,000	24,377,000	
Restricted Funds	12,640,300	12,640,300		4,965,500	4,965,500		5,471,300	5,471,300	
Federal Funds	17,158,500	17,158,500		17,139,900	17,151,500	11,600	17,139,500	17,144,800	5,300
Regular Total Funds	53,135,800	53,135,800		45,920,700	45,932,300	11,600	46,987,800	46,993,100	5,300
General Fund Continuing									
TOTAL BASE LEVEL	53,135,800	53,135,800		45,920,700	45,932,300	11,600	46,987,800	46,993,100	5,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				26,700	1,204,500	1,177,800	17,500	1,207,200	1,189,700
Federal Funds				13,900	2,300	(11,600)	9,100	3,800	(5,300)
TOTAL ADDITIONAL				40,600	1,206,800	1,166,200	26,600	1,211,000	1,184,400
V. ADDITIONAL BUDGET ITEMS									
4 NEW	Wage Equity Plan								
(769DE0X03)	Support salary improvement.								
General Fund				26,700	4,500	(22,200)	17,500	7,200	(10,300)
Federal Funds				13,900	2,300	(11,600)	9,100	3,800	(5,300)
Total				40,600	6,800	(33,800)	26,600	11,000	(15,600)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch:

Executive Branch

Cabinet/Function:

Health Services

Agency:

Aging Services

Appropriation Unit:

Aging Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
5	EXPAN	Personal Care Attendant Program								
	(769GA01)	Provide funds to support 100 additional Personal Care Attendants.								
General Fund						1,200,000	1,200,000		1,200,000	1,200,000
Total						1,200,000	1,200,000		1,200,000	1,200,000
TOTAL ADDITIONAL					40,600	1,206,800	1,166,200	26,600	1,211,000	1,184,400

FB 2000-2002 BUDGET MODIFICATION REPORT

Aging Services

BRANCH BUDGET

The Branch Budget recommends decreased funding for existing services and programs for FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs and equals \$26,700 in General Fund support and \$13,900 in Federal Funds in FY 2000-2001 and \$17,500 in General Fund support and \$9,100 in Federal Funds in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to local match from contracting entities that directs: Notwithstanding KRS 205.460, entities contracting with the Cabinet to provide essential services under KRS 205.455 and this provision shall provide equal to or greater local match than the amount in effect during fiscal year 1999-2000. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health Services shall prescribe the procedures to certify the local match assurance.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$6,800 in FY 2000-2001 and \$11,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional funding is provided as follows: \$1,200,000 in General Fund support in each year to support 100 additional Personal Care Attendants.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Administrative Support
Appropriation Unit: Administrative Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	22,970,500	22,970,500		9,191,600	10,018,100	826,500	9,492,900	10,352,100	859,200
Restricted Funds	5,040,500	5,040,500		9,707,100	7,056,000	(2,651,100)	8,676,500	7,876,500	(800,000)
Federal Funds	7,919,000	7,919,000		8,710,700	10,561,800	1,851,100	10,618,200	10,618,200	
Regular Total Funds	35,930,000	35,930,000		27,609,400	27,635,900	26,500	28,787,600	28,846,800	59,200
General Fund Continuing									
GRAND TOTAL FUNDS	35,930,000	35,930,000		27,609,400	27,635,900	26,500	28,787,600	28,846,800	59,200
II. EXPENDITURE CATEGORY									
Personnel Costs	17,552,000	17,552,000		22,024,100	22,050,600	26,500	22,781,700	22,840,900	59,200
Operating Expenses	4,003,000	4,003,000		5,143,300	5,143,300		5,174,900	5,174,900	
Grants, Loans, Benefits	14,375,000	14,375,000		442,000	442,000		447,000	447,000	
Debt Service							384,000	384,000	
TOTAL EXPENDITURES	35,930,000	35,930,000		27,609,400	27,635,900	26,500	28,787,600	28,846,800	59,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	22,970,500	22,970,500		8,805,600	8,805,600		8,712,100	8,712,100	
Restricted Funds	5,040,500	5,040,500		6,538,900	6,559,800	20,900	7,342,300	7,359,200	16,900
Federal Funds	7,919,000	7,919,000		7,717,200	7,816,500	99,300	7,756,100	7,836,400	80,300
Regular Total Funds	35,930,000	35,930,000		23,061,700	23,181,900	120,200	23,810,500	23,907,700	97,200
General Fund Continuing									
TOTAL BASE LEVEL	35,930,000	35,930,000		23,061,700	23,181,900	120,200	23,810,500	23,907,700	97,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				386,000	1,212,500	826,500	780,800	1,640,000	859,200
Restricted Funds				3,168,200	496,200	(2,672,000)	1,334,200	517,300	(816,900)
Federal Funds				993,500	2,745,300	1,751,800	2,862,100	2,781,800	(80,300)
TOTAL ADDITIONAL				4,547,700	4,454,000	(93,700)	4,977,100	4,939,100	(38,000)
V. ADDITIONAL BUDGET ITEMS									
1 NEWMAN Administrative Support - Establish Office of Women's Health									
(721AA0X01)	Provide funds to support personnel and operating costs relating to the establishment of an Office of Women's Health (3 PFT).								
General Fund				134,700	134,700		138,000	138,000	
Restricted Funds				23,700	23,700		24,500	24,500	
Total				158,400	158,400		162,500	162,500	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Administrative Support
Appropriation Unit: Administrative Support

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS								
2 NEW	Administrative Support - Establish Business Trends and Economic Analysis Branch							
(721AA0X02)	Provide funds to support personnel and operating costs relating to the establishment of a Business Trends and Economic Analysis Branch (8 PFT).							
General Fund				349,000	349,000		358,600	358,600
Restricted Funds			349,000		(349,000)	358,600		(358,600)
Federal Funds			61,600	61,600		63,300	63,300	
Total			410,600	410,600		421,900	421,900	
3 NEW	Administrative Support - Establish Distance Communication Center							
(721AA0X03)	Provide funds to support personnel and operating costs relating to the establishment of a Distance Communications Center (4 PFT).							
General Fund				152,800	152,800		145,200	145,200
Restricted Funds			152,800		(152,800)	145,200		(145,200)
Federal Funds			27,000	27,000		25,600	25,600	
Total			179,800	179,800		170,800	170,800	
4 EXPAN	Office of the Inspector General - Establish Complaints Investigation Team							
(723AB0X02)	Provide funds to support personnel and operating costs relating to the establishment of a Complaints Investigation Team (8 PFT).							
General Fund				209,800	209,800		218,500	218,500
Restricted Funds			209,800		(209,800)	218,500		(218,500)
Federal Funds			209,700	209,700		218,500	218,500	
Total			419,500	419,500		437,000	437,000	
5 EXPAN	Office of the Inspector General - Expand Survey and Certification Branch							
(723AB0X01)	Provide funds to support personnel and operating costs relating to the expansion of the Survey & Certification Branch (20 PFT Inspectors).							
General Fund				88,400	88,400		77,700	77,700
Restricted Funds			551,500	463,100	(88,400)	556,300	478,600	(77,700)
Federal Funds			551,400	551,400		556,200	556,200	
Total			1,102,900	1,102,900		1,112,500	1,112,500	
6 EXPAN	Office of the Inspector General - Additional day care licensing staff.							
(723AB0X03)	Provide funds to support personnel and operating costs for additional day care licensing staff (35 PFT).							
Restricted Funds			1,851,100		(1,851,100)			

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Administrative Support
Appropriation Unit: Administrative Support

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
6	EXPAN	Office of the Inspector General - Additional day care licensing staff.								
(723AB0X03)	Provide funds to support personnel and operating costs for additional day care licensing staff (35 PFT).									
Federal Funds						1,851,100	1,851,100	1,851,100	1,851,100	
Total					1,851,100	1,851,100		1,851,100	1,851,100	
7	NEW	Office of the Inspector General - Wage Equity Plan								
(723AB0X04)	Support salary improvement.									
General Fund					251,300	77,800	(173,500)	258,800	118,000	(140,800)
Restricted Funds					30,300	9,400	(20,900)	31,100	14,200	(16,900)
Federal Funds					143,800	44,500	(99,300)	147,400	67,100	(80,300)
Total					425,400	131,700	(293,700)	437,300	199,300	(238,000)
8	NEW	Administrative Support - Statewide Public Health System								
(721AA0X04)	Provide funds to support debt service for Bonding Authority totaling \$2,000,000 to establish a statewide public health system.									
General Fund								384,000	384,000	
Total								384,000	384,000	
9	NEW	Office of the Inspector General - Establish a Home Health Aide Registry								
(721GA01)	Provide General Fund support to establish a home health aide registry.									
General Fund						200,000	200,000		200,000	200,000
Total						200,000	200,000		200,000	200,000
TOTAL ADDITIONAL					4,547,700	4,454,000	(93,700)	4,977,100	4,939,100	(38,000)

FB 2000-2002 BUDGET MODIFICATION REPORT

Administrative Support

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Funding support for the Kentucky Childrens' Health Insurance Program is transferred to the Department for Medicaid Services.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$251,300, Restricted Funds totaling \$38,200 and Federal Funds totaling \$143,800 in FY 2000-2001 and General Fund Support totaling \$258,800, Restricted Funds totaling \$31,100 and Federal Funds totaling \$147,400 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$134,700 in General Fund support and \$23,700 in Restricted Funds in FY 2000-2001 and \$138,000 in General Fund support and \$24,500 in Restricted Funds in FY 2001-2002 to establish an Office of Women's Health; b) \$349,000 in Restricted Funds and \$61,600 in Federal Funds in FY 2000-2001 and \$358,600 in Restricted Funds and \$63,300 in Federal Funds in FY 2001-2002 to establish a Business Trends and Economic Analysis Branch (8 PFT); c) \$152,800 in Restricted Funds and \$27,000 in Federal Funds in FY 2000-2001 and \$145,200 in Restricted Funds and \$25,600 in Federal Funds in FY 2001-2002 to establish a Distance Communications Center (4 PFT); d) \$209,800 in Restricted Funds and \$209,700 in Federal Funds in FY 2000-2001 and \$218,500 in Restricted Funds and \$218,500 in Federal Funds in FY 2001-2002 to establish a Complaints Investigation Team (8 PFT); e) \$551,500 in Restricted Funds and \$551,400 in Federal Funds in FY 2000-2001 and \$556,300 in Restricted Funds and \$556,200 in Federal Funds in FY 2001-2002 to expand the Survey and Certification Branch by 20 PFT inspectors; and, f) \$1,851,100 in Restricted Funds in FY 2000-2001 and \$1,851,100 in Federal Funds in FY 2001-2002 for 35 PFT additional day care licensing staff.

Additional General Fund support is provided for debt service totaling \$384,000 in FY 2001-2002 to support Bond Funds totaling \$2 million to establish a Statewide Public Health Information System.

The Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct: a) the Secretary shall be authorized to promulgate such administrative regulations as may be required to prescribe user fee amounts which are reflected in the Restricted Funds appropriations above; and, b) the enacted fiscal year 1999-2000 appropriation in House Bill 321 (1998 Ky. Acts ch. 615) includes \$65,700 from the General Fund which is authorized to be provided to the new Office of Women's Health, which is being established within the Administrative Support appropriation unit in accordance with KRS 194A.095, from the Office of Certificate of Need.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision, under the Cabinet for Health Services, relating to maximizing Federal Funds as follows: Pursuant to compliance with the State/Executive Budget Bill and the statutory budget memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet.

FB 2000-2002 BUDGET MODIFICATION REPORT

Administrative Support

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects and equipment purchases: a) Bond Funds totaling \$2,000,000 in FY 2000-2001 to establish a Statewide Public Health Information System; and, b) \$1,200,000 in Capital Construction Surplus to establish a Childrens' Health Information System.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$131,700 in FY 2000-2001 and \$199,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support is provided for the following: \$349,000 in FY 2000-2001 and \$358,600 in FY 2001-2002 to establish a Business Trends and Economic Analysis Branch; \$152,800 in FY 2000-2001 and \$145,200 in FY 2001-2002 to establish a Distance Communication Center; \$209,800 in FY 2000-2001 and \$218,500 in FY 2001-2002 to establish a Complaints Investigation Team; \$88,400 in FY 2000-2001 and \$77,700 in FY 2001-2002 to expand the Survey and Certification Branch. These amounts are to be used to partially replace proposed health facility licensure fee increases. Additional General Fund support totaling \$200,000 in each year is provided to establish a home health aide registry.

Federal Funds totaling \$1,851,100 are provided in FY 2000-2001 to replace Restricted Funds for 35 additional day care licensing staff.

The General Assembly provides Part IX, Special Provisions, language provision, under the Cabinet for Health Services, relating to the Identification of Maximized Federal Funds as follows:

Identification of Maximized Federal Funds: The Cabinet shall attach a listing, by Department, to the Agency Budget Request of additional Federal Funds obtained during the biennium through maximizing Federal Funds.

The General Assembly provides Part IX, Special Provisions, language provision relating to Licensing Personnel as follows:

Licensing Personnel: Federal Funds support totaling \$1,851,100 in fiscal year 2000-2001 and \$1,851,100 in fiscal year 2001-2002 is provided for licensing personnel.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Health Services

Agency: Administrative Support
Appropriation Unit: Administrative Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				2,000,000	2,000,000				
Capital Const. Surplus				1,200,000	1,200,000				
TOTAL CAPITAL				3,200,000	3,200,000				
II. CAPITAL PROJECTS									
1 (7210001) Childrens' Health Information System									
Capital Const. Surplus				1,200,000	1,200,000				
Total				1,200,000	1,200,000				
8 (721AA0X04) Administrative Support - Statewide Public Health System									
Bond Funds				2,000,000	2,000,000				
Total				2,000,000	2,000,000				
TOTAL				3,200,000	3,200,000				

**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

JUSTICE

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Justice

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Justice Operations							
Justice Administration	6,505,600	7,663,900	7,788,900	125,000	7,603,900	7,664,100	60,200
State Police	78,097,700	83,141,300	81,836,200	(1,305,100)	89,861,600	89,633,100	(228,500)
Juvenile Justice	69,009,400	78,735,700	76,858,000	(1,877,700)	94,590,200	92,568,000	(2,022,200)
Total - Justice Operations	153,612,700	169,540,900	166,483,100	(3,057,800)	192,055,700	189,865,200	(2,190,500)
Department of Corrections							
Corrections Management	15,193,700	15,393,900	15,123,400	(270,500)	28,969,600	26,459,700	(2,509,900)
Community Services and Local Facilities	69,833,700	74,741,300	73,994,600	(746,700)	80,758,500	80,272,300	(486,200)
Adult Correctional Institutions	174,363,600	185,006,200	182,603,000	(2,403,200)	197,125,500	193,614,500	(3,511,000)
Local Jail Support	14,568,500	14,918,100	14,918,100		15,276,100	15,276,100	
Total - Department of Corrections	273,959,500	290,059,500	286,639,100	(3,420,400)	322,129,700	315,622,600	(6,507,100)
Continuing Appropriations							
Local Jail Support	100						
Operating Budget Total	427,572,300	459,600,400	453,122,200	(6,478,200)	514,185,400	505,487,800	(8,697,600)

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT

Cabinet/Function: Justice

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly Difference	Branch	General Assembly Difference	
Justice Operations						
Justice Administration	1,433,600	1,657,400	1,657,400	1,619,000	1,619,000	
State Police	11,485,600	5,431,900	5,431,900	5,274,800	5,274,800	
Criminal Justice Training	27,299,500	31,858,600	31,768,900	33,679,900	33,362,500	(317,400)
Juvenile Justice	20,254,500	16,789,800	16,789,800	18,550,000	18,550,000	
Total - Justice Operations	60,473,200	55,737,700	55,648,000	59,123,700	58,806,300	(317,400)
Department of Corrections						
Corrections Management	14,358,400	12,679,100	12,679,100	13,241,200	13,241,200	
Community Services and Local Facilities	630,200	625,000	625,000	625,000	625,000	
Adult Correctional Institutions	9,464,200	4,428,800	4,428,800	4,458,600	4,458,600	
Total - Department of Corrections	24,452,800	17,732,900	17,732,900	18,324,800	18,324,800	
Operating Budget Total	84,926,000	73,470,600	73,380,900	77,448,500	77,131,100	(317,400)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Justice

	FY 1999-2000 Budget	FY 2000-2001		FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly
Justice Operations						
Justice Administration	13,083,000	13,087,800	13,087,800		13,087,800	13,087,800
State Police	9,433,000	9,960,600	9,960,600		8,144,700	8,144,700
Criminal Justice Training	1,190,000	1,190,000	1,190,000		1,190,000	1,190,000
Juvenile Justice	21,757,000	19,812,000	19,812,000		19,312,000	19,312,000
Total - Justice Operations	45,463,000	44,050,400	44,050,400		41,734,500	41,734,500
Department of Corrections						
Corrections Management	2,717,100	1,224,400	1,224,400		224,500	224,500
Community Services and Local Facilities	1,346,500					
Adult Correctional Institutions	150,000	150,000	150,000		150,000	150,000
Total - Department of Corrections	4,213,600	1,374,400	1,374,400		374,500	374,500
Operating Budget Total	49,676,600	45,424,800	45,424,800		42,109,000	42,109,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
ROAD FUND BY BUDGET UNIT

Cabinet/Function: Justice

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
State Police	30,000,000	30,000,000	30,000,000		30,000,000	30,000,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Justice

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
Justice Operations							
Justice Administration	21,022,200	22,409,100	22,534,100	125,000	22,310,700	22,370,900	60,200
State Police	129,016,300	128,533,800	127,228,700	(1,305,100)	133,281,100	133,052,600	(228,500)
Criminal Justice Training	28,489,500	33,048,600	32,958,900	(89,700)	34,869,900	34,552,500	(317,400)
Juvenile Justice	111,020,900	115,337,500	113,459,800	(1,877,700)	132,452,200	130,430,000	(2,022,200)
Total - Justice Operations	289,548,900	299,329,000	296,181,500	(3,147,500)	322,913,900	320,406,000	(2,507,900)
Department of Corrections							
Corrections Management	32,269,200	29,297,400	29,026,900	(270,500)	42,435,300	39,925,400	(2,509,900)
Community Services and Local Facilities	71,810,400	75,366,300	74,619,600	(746,700)	81,383,500	80,897,300	(486,200)
Adult Correctional Institutions	183,977,800	189,585,000	187,181,800	(2,403,200)	201,734,100	198,223,100	(3,511,000)
Local Jail Support	14,568,500	14,918,100	14,918,100		15,276,100	15,276,100	
Total - Department of Corrections	302,625,900	309,166,800	305,746,400	(3,420,400)	340,829,000	334,321,900	(6,507,100)
Continuing Appropriations							
Local Jail Support	100						
Operating Budget Total	592,174,900	608,495,800	601,927,900	(6,567,900)	663,742,900	654,727,900	(9,015,000)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Justice

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	427,572,200	427,572,200		459,600,400	453,122,200	(6,478,200)	514,185,400	505,487,800	(8,697,600)
Restricted Funds	84,926,000	84,926,000		73,470,600	73,380,900	(89,700)	77,448,500	77,131,100	(317,400)
Federal Funds	49,676,600	49,676,600		45,424,800	45,424,800		42,109,000	42,109,000	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	592,174,800	592,174,800		608,495,800	601,927,900	(6,567,900)	663,742,900	654,727,900	(9,015,000)
General Fund Continuing	100	100							
GRAND TOTAL FUNDS	592,174,900	592,174,900		608,495,800	601,927,900	(6,567,900)	663,742,900	654,727,900	(9,015,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	312,935,900	312,935,900		338,751,700	332,723,800	(6,027,900)	364,609,900	358,142,900	(6,467,000)
Operating Expenses	71,541,500	71,541,500		72,235,700	72,235,700		74,550,700	74,400,700	(150,000)
Grants, Loans, Benefits	181,534,000	181,534,000		189,164,100	189,309,100	145,000	202,208,000	201,913,000	(295,000)
Debt Service	10,164,000	10,164,000		3,371,000	3,371,000		19,555,000	17,452,000	(2,103,000)
Capital Outlay	9,582,500	9,582,500		4,008,300	3,323,300	(685,000)	2,019,300	2,019,300	
Construction	6,417,000	6,417,000		965,000	965,000		800,000	800,000	
TOTAL EXPENDITURES	592,174,900	592,174,900		608,495,800	601,927,900	(6,567,900)	663,742,900	654,727,900	(9,015,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	427,572,200	427,572,200		436,404,000	435,854,000	(550,000)	460,600,600	459,645,800	(954,800)
Restricted Funds	84,926,000	84,926,000		72,891,100	72,987,400	96,300	72,443,500	72,627,400	183,900
Federal Funds	49,676,600	49,676,600		44,230,000	44,230,000		40,914,200	40,914,200	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	592,174,800	592,174,800		583,525,100	583,071,400	(453,700)	603,958,300	603,187,400	(770,900)
General Fund Continuing	100	100							
TOTAL BASE LEVEL	592,174,900	592,174,900		583,525,100	583,071,400	(453,700)	603,958,300	603,187,400	(770,900)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				23,196,400	17,268,200	(5,928,200)	53,584,800	45,842,000	(7,742,800)
Restricted Funds				579,500	393,500	(186,000)	5,005,000	4,503,700	(501,300)
Federal Funds				1,194,800	1,194,800		1,194,800	1,194,800	
TOTAL ADDITIONAL				24,970,700	18,856,500	(6,114,200)	59,784,600	51,540,500	(8,244,100)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Justice

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund					375,000	375,000			
Restricted Funds				1,180,000	1,755,300	575,300	536,000	536,000	
Federal Funds					5,644,800	5,644,800			
Bond Funds				151,622,000	131,422,000	(20,200,000)			
Agency Bonds				7,000,000	7,000,000				
Capital Const. Surplus				330,000	330,000				
Investment Income				2,000,000	2,000,000		2,750,000	2,750,000	
Emer. Repair & Maint.				1,600,000	1,600,000				
TOTAL CAPITAL				163,732,000	150,127,100	(13,604,900)	3,286,000	3,286,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Summary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	153,612,700	153,612,700		169,540,900	166,483,100	(3,057,800)	192,055,700	189,865,200	(2,190,500)
Restricted Funds	60,473,200	60,473,200		55,737,700	55,648,000	(89,700)	59,123,700	58,806,300	(317,400)
Federal Funds	45,463,000	45,463,000		44,050,400	44,050,400		41,734,500	41,734,500	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	289,548,900	289,548,900		299,329,000	296,181,500	(3,147,500)	322,913,900	320,406,000	(2,507,900)
General Fund Continuing									
GRAND TOTAL FUNDS	289,548,900	289,548,900		299,329,000	296,181,500	(3,147,500)	322,913,900	320,406,000	(2,507,900)
II. EXPENDITURE CATEGORY									
Personnel Costs	158,217,000	158,217,000		172,684,700	170,077,200	(2,607,500)	186,907,700	184,764,800	(2,142,900)
Operating Expenses	33,114,300	33,114,300		33,372,000	33,372,000		33,873,700	33,873,700	
Grants, Loans, Benefits	79,186,000	79,186,000		86,562,500	86,707,500	145,000	93,166,600	92,871,600	(295,000)
Debt Service	7,485,000	7,485,000		3,165,000	3,165,000		7,138,000	7,068,000	(70,000)
Capital Outlay	8,466,600	8,466,600		2,744,800	2,059,800	(685,000)	1,027,900	1,027,900	
Construction	3,080,000	3,080,000		800,000	800,000		800,000	800,000	
TOTAL EXPENDITURES	289,548,900	289,548,900		299,329,000	296,181,500	(3,147,500)	322,913,900	320,406,000	(2,507,900)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	153,612,700	153,612,700		154,037,900	153,887,900	(150,000)	163,277,900	163,063,100	(214,800)
Restricted Funds	60,473,200	60,473,200		55,386,500	55,386,500		54,444,800	54,444,800	
Federal Funds	45,463,000	45,463,000		42,855,600	42,855,600		40,539,700	40,539,700	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	289,548,900	289,548,900		282,280,000	282,130,000	(150,000)	288,262,400	288,047,600	(214,800)
General Fund Continuing									
TOTAL BASE LEVEL	289,548,900	289,548,900		282,280,000	282,130,000	(150,000)	288,262,400	288,047,600	(214,800)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				15,503,000	12,595,200	(2,907,800)	28,777,800	26,802,100	(1,975,700)
Restricted Funds				351,200	261,500	(89,700)	4,678,900	4,361,500	(317,400)
Federal Funds				1,194,800	1,194,800		1,194,800	1,194,800	
TOTAL ADDITIONAL				17,049,000	14,051,500	(2,997,500)	34,651,500	32,358,400	(2,293,100)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Summary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund					375,000	375,000			
Restricted Funds					575,300	575,300			
Federal Funds					5,644,800	5,644,800			
Bond Funds				30,414,000	30,414,000				
Agency Bonds				7,000,000	7,000,000				
Capital Const. Surplus				330,000	330,000				
Investment Income				600,000	600,000		750,000	750,000	
TOTAL CAPITAL				38,344,000	44,939,100	6,595,100	750,000	750,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Justice Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	6,505,600	6,505,600		7,663,900	7,788,900	125,000	7,603,900	7,664,100	60,200
Restricted Funds	1,433,600	1,433,600		1,657,400	1,657,400		1,619,000	1,619,000	
Federal Funds	13,083,000	13,083,000		13,087,800	13,087,800		13,087,800	13,087,800	
Regular Total Funds	21,022,200	21,022,200		22,409,100	22,534,100	125,000	22,310,700	22,370,900	60,200
General Fund Continuing									
GRAND TOTAL FUNDS	21,022,200	21,022,200		22,409,100	22,534,100	125,000	22,310,700	22,370,900	60,200
II. EXPENDITURE CATEGORY									
Personnel Costs	6,018,000	6,018,000		6,605,400	6,605,400		6,841,700	6,776,900	(64,800)
Operating Expenses	963,300	963,300		1,323,800	1,323,800		1,287,900	1,287,900	
Grants, Loans, Benefits	13,958,800	13,958,800		14,161,300	14,286,300	125,000	14,107,800	14,232,800	125,000
Capital Outlay	82,100	82,100		318,600	318,600		73,300	73,300	
TOTAL EXPENDITURES	21,022,200	21,022,200		22,409,100	22,534,100	125,000	22,310,700	22,370,900	60,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	6,505,600	6,505,600		6,659,900	6,659,900		6,808,900	6,744,100	(64,800)
Restricted Funds	1,433,600	1,433,600		1,622,500	1,622,500		1,614,900	1,614,900	
Federal Funds	13,083,000	13,083,000		13,083,000	13,083,000		13,083,000	13,083,000	
Regular Total Funds	21,022,200	21,022,200		21,365,400	21,365,400		21,506,800	21,442,000	(64,800)
General Fund Continuing									
TOTAL BASE LEVEL	21,022,200	21,022,200		21,365,400	21,365,400		21,506,800	21,442,000	(64,800)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,004,000	1,129,000	125,000	795,000	920,000	125,000
Restricted Funds				34,900	34,900		4,100	4,100	
Federal Funds				4,800	4,800		4,800	4,800	
TOTAL ADDITIONAL				1,043,700	1,168,700	125,000	803,900	928,900	125,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Medical Examiner's Office-Pediatric Forensic Consultant Program								
(500AB0X02)	Provide funds to support 3 full time positions (Physician, Nurse and Secretary) and related operating costs.								
General Fund				217,000	217,000		209,000	209,000	
Total				217,000	217,000		209,000	209,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Justice Administration

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Medical Examiner's Office-Cadaver Dog								
(500AB0X04)		Provide funds to purchase a cadaver dog.								
Federal Funds					4,800	4,800		4,800	4,800	
Total					4,800	4,800		4,800	4,800	
3	NEW	Medical Examiner's Office-Megan's Law Notification/Verification								
(500AA0X02)		Provide funds to support Megan's Law Notification/Verification Program.								
General Fund					507,000	507,000		306,000	306,000	
Total					507,000	507,000		306,000	306,000	
4	EXPAN	Medical Examiner's Office-Juvenile Victims of Sexual Abuse Examinations								
(500AB0X05)		Provide funds to support Juvenile Victims of Sexual Abuse Program.								
General Fund					280,000	280,000		280,000	280,000	
Total					280,000	280,000		280,000	280,000	
5	NEW	Wage Equity Plan								
(500AA0X03)		Provide funds to support salary improvements.								
Restricted Funds					34,900	34,900		4,100	4,100	
Total					34,900	34,900		4,100	4,100	
6	NEW	Lexington-Fayette County Urban League Construction Training Project Grant								
(500GA01)		Provide funds to support a grant to the Lexington-Fayette County Urban League Construction Training Project.								
General Fund						125,000	125,000		125,000	125,000
Total						125,000	125,000		125,000	125,000
TOTAL ADDITIONAL					1,043,700	1,168,700	125,000	803,900	928,900	125,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Justice Administration

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs (activities/operations) in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$34,900 in FY 2000-2001 and \$4,100 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct the following:

General Fund support totaling \$1,106,400 in FY 2000-2001 and \$1,133,000 in FY 2001-2002 is provided to support the State Parole Board. General Fund support totaling \$1,500,000 in FY 2000-2001 and \$1,500,000 in FY 2001-2002 is provided to support free legal services for indigents.

The Branch Budget Bill, Part I, Operating Budget, includes the following: Restricted Funds support totaling \$330,000 in FY 2000-2001 and \$330,000 in FY 2001-2002 are provided to support the Criminal Justice Council. These Restricted Funds shall come from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF). Any provisions to the contrary codified in KRS 15.430, 42.190, or 136.392 are suspended.

Additional General Fund moneys totaling \$1,004,000 in FY 2000-2001 and \$795,000 in FY 2001-2002 are provided to the Medical Examiner's Office for the following purposes: \$507,000 in FY 2000-2001 and \$306,000 in FY 2001-2002 support Megan's Law Notification and Verification Program; \$217,000 in FY 2000-2001 and \$209,000 in FY 2001-2002 to support 3 full-time positions for the Pediatric Forensic Consultant Program; and \$280,000 in each fiscal year for Juvenile Victims of Sexual Abuse Examination Program.

Additional Federal Funds totaling \$4,800 in each fiscal year are provided to purchase a cadaver dog for the Medical Examiner's Office.

Maintenance of Current Services

General Fund support totaling \$127,100 in FY 2000-2001 and \$192,800 in FY 2001-2002 is provided in the Base Level Budget to provide for current services.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to Legal Aid Restrictions that directs the following: These funds shall be used for providing and arranging civil legal representation for eligible low-income Kentuckians who are currently underserved and for purposes consistent with federal law and regulations. These funds shall not be used for lobbying on issues related to abortion. The recipient of this appropriation shall report annually to the Interim Joint Committee on Appropriations and Revenue on the dispositions of the grant.

FB 2000-2002 BUDGET MODIFICATION REPORT

Justice Administration

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$34,900 in FY 2000-2001 and \$4,100 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly provides additional General Fund support totaling \$125,000 in FY 2000-2001 and \$125,000 in FY 2001-2002 to support a non-recurring grant for the Urban League of Lexington Fayette County Construction Training Project.

The General Assembly adds, Part IX, Special Provisions, language provision as follows: The Urban League of Lexington-Fayette County Reporting Requirement: The Urban League of Lexington-Fayette County shall report annually on the expenditures of state and/or federal funds provided through this Act to the Interim Joint Committee on Appropriations and Revenue and the Office of the Secretary in the Justice Cabinet. The Secretary of Justice shall supplement the General Fund appropriation with Federal funds up to a combined total of \$300,000 each year if the program meets the federal grant guidelines of grants administered by the Justice Cabinet. The Urban League of Lexington-Fayette County shall be subject to any federal grant requirements that are required upon receiving federal moneys.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Justice

Agency: Justice Operations
Appropriation Unit: State Police

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	78,097,700	78,097,700		83,141,300	81,836,200	(1,305,100)	89,861,600	89,633,100	(228,500)
Restricted Funds	11,485,600	11,485,600		5,431,900	5,431,900		5,274,800	5,274,800	
Federal Funds	9,433,000	9,433,000		9,960,600	9,960,600		8,144,700	8,144,700	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	129,016,300	129,016,300		128,533,800	127,228,700	(1,305,100)	133,281,100	133,052,600	(228,500)
General Fund Continuing									
GRAND TOTAL FUNDS	129,016,300	129,016,300		128,533,800	127,228,700	(1,305,100)	133,281,100	133,052,600	(228,500)
II. EXPENDITURE CATEGORY									
Personnel Costs	94,686,500	94,686,500		104,670,500	104,050,400	(620,100)	110,713,000	110,484,500	(228,500)
Operating Expenses	21,560,800	21,560,800		18,807,600	18,807,600		18,521,200	18,521,200	
Grants, Loans, Benefits	1,187,000	1,187,000		3,406,600	3,406,600		3,371,200	3,371,200	
Debt Service	3,722,000	3,722,000					271,000	271,000	
Capital Outlay	7,860,000	7,860,000		1,649,100	964,100	(685,000)	404,700	404,700	
TOTAL EXPENDITURES	129,016,300	129,016,300		128,533,800	127,228,700	(1,305,100)	133,281,100	133,052,600	(228,500)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	78,097,700	78,097,700		78,610,800	78,460,800	(150,000)	83,277,400	83,127,400	(150,000)
Restricted Funds	11,485,600	11,485,600		5,381,900	5,381,900		5,244,800	5,244,800	
Federal Funds	9,433,000	9,433,000		9,960,600	9,960,600		8,144,700	8,144,700	
Road Fund	30,000,000	30,000,000		30,000,000	30,000,000		30,000,000	30,000,000	
Regular Total Funds	129,016,300	129,016,300		123,953,300	123,803,300	(150,000)	126,666,900	126,516,900	(150,000)
General Fund Continuing									
TOTAL BASE LEVEL	129,016,300	129,016,300		123,953,300	123,803,300	(150,000)	126,666,900	126,516,900	(150,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				4,530,500	3,375,400	(1,155,100)	6,584,200	6,505,700	(78,500)
Restricted Funds				50,000	50,000		30,000	30,000	
TOTAL ADDITIONAL				4,580,500	3,425,400	(1,155,100)	6,614,200	6,535,700	(78,500)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Additional State Troopers and Cruisers								
(520DD0X01)	Provide funds to support 25 additional state troopers and 25 additional vehicles in each year. GENERAL ASSEMBLY: Provide for 35 additional troopers each year and 25 additional vehicles in FY 2001-2002.								
General Fund				2,105,000	1,420,000	(685,000)	3,395,000	3,395,000	
Total				2,105,000	1,420,000	(685,000)	3,395,000	3,395,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: State Police

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	AFIS Increased Operating Costs								
(520DB0X02)	Provide funds to support increased operating costs of the Automated Fingerprint Identification System (AFIS).									
General Fund					601,200	601,200		818,000	818,000	
Total					601,200	601,200		818,000	818,000	
3	NEW	Unified Criminal Justice System-Debt Service and Operating Costs								
(520DB0X03)	Provide debt service funds (\$271,000) in FY 2001-2002 to support Bond Funds totaling \$1,402,000 & support for increased personnel and operating costs.									
General Fund					616,700	616,700		1,240,500	1,240,500	
Total					616,700	616,700		1,240,500	1,240,500	
4	NEW	Wage Equity Plan								
(520DA0X02)	Provide funds to support salary improvements.									
General Fund					1,207,600	737,500	(470,100)	1,130,700	1,052,200	(78,500)
Restricted Funds					50,000	50,000		30,000	30,000	
Total					1,257,600	787,500	(470,100)	1,160,700	1,082,200	(78,500)
TOTAL ADDITIONAL					4,580,500	3,425,400	(1,155,100)	6,614,200	6,535,700	(78,500)

FB 2000-2002 BUDGET MODIFICATION REPORT

State Police

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget Bill includes Part I, Operating Budget, language provision that directs the following:

There is appropriated from the General Fund to the Department of State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty when an emergency situation has been declared to exist by the Governor. Funding is authorized to be provided from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$1,207,600 in FY 2000-2001 and \$1,130,700 in FY 2001-2002 and additional Restricted Funds support totaling \$50,000 in FY 2000-2001 and \$30,000 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional General Fund support totaling \$616,700 in FY 2000-2001 and \$1,240,500 in FY 2001-2002 is provided for the following purposes: \$616,700 in FY 2000-2001 and \$969,500 in FY 2001-2002 to support computer system personnel and operating expenditures related to the Unified Criminal Justice Information System (UCJIS) and \$271,000 in FY 2001-2002 is provided to support Bond Funds totaling \$1,402,000 in FY 2000-2001 to support this system.

Additional General Fund support totaling \$601,200 in FY 2000-2001 and \$818,000 in FY 2001-2002 is provided to support increased operating expenditures related to the Automated Fingerprint Identification System (AFIS).

Additional General Fund support totaling \$2,105,000 in FY 2000-2001 and \$3,395,000 in FY 2001-2002 is provided for the following purposes: \$1,420,000 in FY 2000-2001 and \$2,710,000 in FY 2001-2002 to support 25 additional troopers and uniforms in each year of FB 2000-2002. This General Fund support increases the authorized strength cap from 1,000 trooper in the current fiscal year to 1,025 in FY 2000-2001 and to 1,050 in FY 2001-2002. Included in the above total, is additional General Fund support totaling \$685,000 in FY 2000-2001 and \$685,000 in FY 2001-2002 to purchase 25 motor vehicles in each year of FB 2000-2002.

Maintenance of Current Services

General Fund support totaling \$9,755,100 in FY 2000-2001 and \$12,864,800 in FY 2001-2002 is provided in the Base Level Budget to provide for current services.

Part II, Capital Funds Projects Budget, includes Bond Funds totaling \$1,402,000 in FY 2000-2001 for the Unified Criminal Justice Information System; Capital Construction Surplus Funds totaling \$330,000 in FY 2000-2001 for a new Ion Coupled Plasma Mass Spectrometer Trace Unit; and Investment Income totaling \$200,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 for a Maintenance Pool.

FB 2000-2002 BUDGET MODIFICATION REPORT

State Police

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly provides additional General Fund support totaling \$1,420,000 in FY 2000-2001 and \$3,395,000 in FY 2001-2002 to support 35 additional troopers in FY 2000-2001 and an additional 35 troopers in FY 2001-2002.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$787,500 in FY 2000-2001 and \$1,082,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly adds the following projects to the Part II Capital Projects Budget, in FY 2000-2001:

Facial Recognition Pilot Project - Unified Criminal Justice Information System-

Restricted Funds - \$150,300	Federal Funds - \$451,000	Total - \$601,300
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Mugshot Expansion - Sex Offender Registry System -

Federal Funds - \$519,000	Total - \$519,000
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Forward Looking Infrared Device (FLIR)

Federal Funds - \$154,800	Total - \$154,800
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LaGrange Communications Tower

General Fund - \$175,000	Total - \$175,000
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Hazard Communications Tower

General Fund - \$200,000	Total - \$200,000
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The General Assembly adds, Part IX, Special Provisions, language provision that directs the following:

State/Local Emergency Phone Service Agreement: The Department of State Police may enter into agreements with the governing body of the city, county, urban-county government, or any combination thereof, to provide 911 emergency telephone service.

The General Assembly adds Part IX, Special Provisions, language provisions relating to Background Checks as follows: The State Police shall charge \$10 for each criminal background check.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: State Police

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund					375,000	375,000			
Restricted Funds					150,300	150,300			
Federal Funds					1,124,800	1,124,800			
Bond Funds				1,402,000	1,402,000				
Capital Const. Surplus				330,000	330,000				
Investment Income				200,000	200,000		250,000	250,000	
TOTAL CAPITAL				1,932,000	3,582,100	1,650,100	250,000	250,000	

II. CAPITAL PROJECTS

1 (5200179)	Unified Criminal Justice Information								
Bond Funds				1,402,000	1,402,000				
Total				1,402,000	1,402,000				
2 (5200177)	Maintenance Pool								
Investment Income				200,000	200,000		250,000	250,000	
Total				200,000	200,000		250,000	250,000	
3 (5200185)	New Ion Coupled Plasma/Mass Spec., Trace Unit C								
Capital Const. Surplus				330,000	330,000				
Total				330,000	330,000				
4 (520GA01)	LaGrange Communications Tower								
General Fund					175,000	175,000			
Total					175,000	175,000			
5 (520GA02)	Hazard Communications Tower								
General Fund					200,000	200,000			
Total					200,000	200,000			
6 (520GA03)	Facial Recognition Pilot Project - Unified Criminal Justice Information System								
Restricted Funds					150,300	150,300			
Federal Funds					451,000	451,000			
Total					601,300	601,300			
7 (520GA04)	Mug Shot Expansion - Sex Offender Registry System								
Federal Funds					519,000	519,000			
Total					519,000	519,000			

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: State Police

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

8 (520GA05) **Forward Looking Infrared (FLIR) Device**

Federal Funds

154,800

154,800

Total

154,800

154,800

TOTAL

1,932,000

3,582,100

1,650,100

250,000

250,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Justice

Agency: Justice Operations
Appropriation Unit: Criminal Justice Training

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	27,299,500	27,299,500		31,858,600	31,768,900	(89,700)	33,679,900	33,362,500	(317,400)
Federal Funds	1,190,000	1,190,000		1,190,000	1,190,000		1,190,000	1,190,000	
Regular Total Funds	28,489,500	28,489,500		33,048,600	32,958,900	(89,700)	34,869,900	34,552,500	(317,400)
General Fund Continuing									
GRAND TOTAL FUNDS	28,489,500	28,489,500		33,048,600	32,958,900	(89,700)	34,869,900	34,552,500	(317,400)

II. EXPENDITURE CATEGORY

Personnel Costs	6,776,700	6,776,700		5,579,800	5,490,100	(89,700)	6,027,600	5,780,200	(247,400)
Operating Expenses	1,738,600	1,738,600		3,234,700	3,234,700		3,338,700	3,338,700	
Grants, Loans, Benefits	18,264,700	18,264,700		20,532,000	20,532,000		21,011,700	21,011,700	
Debt Service	1,185,000	1,185,000		3,165,000	3,165,000		3,942,000	3,872,000	(70,000)
Capital Outlay	524,500	524,500		537,100	537,100		549,900	549,900	
TOTAL EXPENDITURES	28,489,500	28,489,500		33,048,600	32,958,900	(89,700)	34,869,900	34,552,500	(317,400)

III. BASE LEVEL BUDGET BY FUND SOURCE

Restricted Funds	27,299,500	27,299,500		31,742,300	31,742,300		32,615,100	32,615,100	
Federal Funds	1,190,000	1,190,000							
Regular Total Funds	28,489,500	28,489,500		31,742,300	31,742,300		32,615,100	32,615,100	
General Fund Continuing									
TOTAL BASE LEVEL	28,489,500	28,489,500		31,742,300	31,742,300		32,615,100	32,615,100	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Restricted Funds				116,300	26,600	(89,700)	1,064,800	747,400	(317,400)
Federal Funds				1,190,000	1,190,000		1,190,000	1,190,000	
TOTAL ADDITIONAL				1,306,300	1,216,600	(89,700)	2,254,800	1,937,400	(317,400)

V. ADDITIONAL BUDGET ITEMS**1 NEW Debt Service**

(525EEDX02) Provide debt service to support Bond Funds totaling \$7,000,000 in FY 2000-2001 to construct a Physical Skills Training Complex at Eastern Kentucky University.

Restricted Funds	777,000	707,000	(70,000)
Total	777,000	707,000	(70,000)

2 NEW Police Corps

(525EEDX03) Provide funds to support the Federal Police Corps program that assists in the training at local police agencies.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Criminal Justice Training

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Police Corps									
(525EEDX03)	Provide funds to support the Federal Police Corps program that assists in the training at local police agencies.									
Federal Funds					1,190,000	1,190,000		1,190,000	1,190,000	
Total					1,190,000	1,190,000		1,190,000	1,190,000	
3 NEW	Wage Equity Plan									
(525EEDX04)	Provide funds to support salary improvements.									
Restricted Funds					116,300	26,600	(89,700)	287,800	40,400	(247,400)
Total					116,300	26,600	(89,700)	287,800	40,400	(247,400)
TOTAL ADDITIONAL					1,306,300	1,216,600	(89,700)	2,254,800	1,937,400	(317,400)

FB 2000-2002 BUDGET MODIFICATION REPORT

Criminal Justice Training

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs (activities/operations) in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$116,300 in FY 2000-2001 and \$287,800 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs, Restricted Funds support totaling \$19,537,000 in FY 2000-2001 and \$19,985,200 in FY 2001-2002 are provided to support training incentive payments pursuant to KRS 15.430 and KRS 15.440 from receipts pursuant to KRS 136.392.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs and provides the following:

Also included in the above Restricted Funds appropriation, and subject to passage of enabling legislation in the 2000 Regular Session of the General Assembly, is \$716,400 in fiscal year 2000-2001 and \$733,200 in fiscal year 2001-2002 for an increase in training incentive payments to each participant. The increase equates to \$100 per qualified individual in fiscal year 2000-2001 for a total of \$3,100 in fiscal year 2000-2001 and \$3,100 in fiscal year 2001-2002 for each participant.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs, Restricted Funds support totaling \$3,165,000 in FY 2000-2001 and \$3,165,000 in FY 2001-2002 is provided to support debt service for bonds previously issued.

Additional Restricted Funds totaling \$777,000 in fiscal year 2001-2002 are provided to support additional Agency Bond Funds totaling \$7,000,000 in FY 2000-2001 for a new Physical Skills Training Facility in addition to the Law Enforcement Basic Training Complex under construction on the campus of Eastern Kentucky University.

Additional Federal Funds totaling \$1,190,000 in each fiscal year are provided to support the Federal Police Corps that assists training law enforcement officers.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs following:

Notwithstanding KRS 15.430, 42.190, or 136.392, funds unexpended at the end of fiscal year 1999-2000 and fiscal year 2000-2001 shall not lapse but shall be carried forward into the following fiscal year.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Criminal Justice Training

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$26,600 in FY 2000-2001 and \$40,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly amends, Part I, Operating Budget, language provision relating to training incentive payments to read as follows: Notwithstanding KRS 15.460(1), included in the above Restricted Funds appropriation is \$716,400 in fiscal year 2000-2001 and \$733,200 in fiscal year 2001-2002 for an increase in training incentive payments to each participant. The increase equates to \$100 per qualified individual in fiscal year 2000-2001 for a total of \$3,100 in fiscal year 2000-2001 and \$3,100 in fiscal year 2001-2002 for each participant.

Additional Restricted Funds totaling \$707,000 in fiscal year 2001-2002 are provided to support additional Agency Bond Funds totaling \$7,000,000 in FY 2000-2001 for a new Physical Skills Training Facility in addition to the Law Enforcement Basic Training Complex under construction on the campus of Eastern Kentucky University.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Criminal Justice Training

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE								
Agency Bonds			7,000,000	7,000,000				
TOTAL CAPITAL			7,000,000	7,000,000				
II. CAPITAL PROJECTS								
1 (5250001) Law Enforcement Basic Training Complex - Additional								
Agency Bonds			7,000,000	7,000,000				
Total			7,000,000	7,000,000				
TOTAL			7,000,000	7,000,000				

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Justice

Agency: Justice Operations
Appropriation Unit: Juvenile Justice

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	69,009,400	69,009,400		78,735,700	76,858,000	(1,877,700)	94,590,200	92,568,000	(2,022,200)
Restricted Funds	20,254,500	20,254,500		16,789,800	16,789,800		18,550,000	18,550,000	
Federal Funds	21,757,000	21,757,000		19,812,000	19,812,000		19,312,000	19,312,000	
Regular Total Funds	111,020,900	111,020,900		115,337,500	113,459,800	(1,877,700)	132,452,200	130,430,000	(2,022,200)
General Fund Continuing									
GRAND TOTAL FUNDS	111,020,900	111,020,900		115,337,500	113,459,800	(1,877,700)	132,452,200	130,430,000	(2,022,200)
II. EXPENDITURE CATEGORY									
Personnel Costs	50,735,800	50,735,800		55,829,000	53,931,300	(1,897,700)	63,325,400	61,723,200	(1,602,200)
Operating Expenses	8,851,600	8,851,600		10,005,900	10,005,900		10,725,900	10,725,900	
Grants, Loans, Benefits	45,775,500	45,775,500		48,462,600	48,482,600	20,000	54,675,900	54,255,900	(420,000)
Debt Service	2,578,000	2,578,000					2,925,000	2,925,000	
Capital Outlay				240,000	240,000				
Construction	3,080,000	3,080,000		800,000	800,000		800,000	800,000	
TOTAL EXPENDITURES	111,020,900	111,020,900		115,337,500	113,459,800	(1,877,700)	132,452,200	130,430,000	(2,022,200)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	69,009,400	69,009,400		68,767,200	68,767,200		73,191,600	73,191,600	
Restricted Funds	20,254,500	20,254,500		16,639,800	16,639,800		14,970,000	14,970,000	
Federal Funds	21,757,000	21,757,000		19,812,000	19,812,000		19,312,000	19,312,000	
Regular Total Funds	111,020,900	111,020,900		105,219,000	105,219,000		107,473,600	107,473,600	
General Fund Continuing									
TOTAL BASE LEVEL	111,020,900	111,020,900		105,219,000	105,219,000		107,473,600	107,473,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				9,968,500	8,090,800	(1,877,700)	21,398,600	19,376,400	(2,022,200)
Restricted Funds				150,000	150,000		3,580,000	3,580,000	
TOTAL ADDITIONAL				10,118,500	8,240,800	(1,877,700)	24,978,600	22,956,400	(2,022,200)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Adair Youth Development Center-Operations								
(523JB0X01)	Provide funds to support the operating costs, 4 vehicles and personnel (50 FT). Scheduled opening - February, 2001. GENERAL ASSEMBLY: Scheduled Opening - May 2001.								
General Fund				2,253,800	1,948,800	(305,000)	1,876,800	1,846,800	(30,000)
Total				2,253,800	1,948,800	(305,000)	1,876,800	1,846,800	(30,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Juvenile Justice

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Warren County Regional Juvenile Detention Center-Operations									
(523JB0X12)	Provide funds to support the operating costs, 2 new vehicles and personnel (58 FT). Scheduled opening - May/June 2001									
General Fund					893,100	893,100		1,113,600	1,113,600	
Restricted Funds								1,200,000	1,200,000	
Total					893,100	893,100		2,313,600	2,313,600	
3 NEW	Boyd County Regional Juvenile Detention Center-Operations									
(523JB0X11)	Provide funds to support the operating costs, 2 new vehicles and personnel (58 FT). Scheduled opening - August 2001. GENERAL ASSEMBLY: Scheduled Opening - October/November 2001.									
General Fund					550,700	336,400	(214,300)	1,313,600	1,274,900	(38,700)
Restricted Funds								1,000,000	1,000,000	
Total					550,700	336,400	(214,300)	2,313,600	2,274,900	(38,700)
4 NEW	Laurel County Regional Juvenile Detention Center-Operations									
(523JB0X13)	Provide funds to support the operating costs, 2 new vehicles and personnel (58 FT). Scheduled opening - September 2001. GENERAL ASSEMBLY: Scheduled Opening - November/December 2001.									
General Fund					388,300	62,000	(326,300)	1,513,600	1,468,000	(45,600)
Restricted Funds								800,000	800,000	
Total					388,300	62,000	(326,300)	2,313,600	2,268,000	(45,600)
5 EXPAN	Breathitt County Regional Juvenile Detention Center Expansion-Operations									
(523JB0X14)	Provide funds to support the operating costs, 2 new vehicles and personnel (29 FT). Scheduled Expansion/Completion - April 2001. GENERAL ASSEMBLY: Scheduled Opening - July 2001.									
General Fund					501,900	265,000	(236,900)	636,100	594,800	(41,300)
Restricted Funds					100,000	100,000		500,000	500,000	
Total					601,900	365,000	(236,900)	1,136,100	1,094,800	(41,300)
6 EXPAN	Youth Challenge Program-Operation/Matching Requirements									
(523JB0X06)	Provide funds for increased Federal Funds match and to contract with the Dept. of Military Affairs.									
General Fund					480,000	500,000	20,000	620,000	200,000	(420,000)
Total					480,000	500,000	20,000	620,000	200,000	(420,000)
7 EXPAN	Detention Subsidy-Increased Rates									
(523JB0X07)	Provide funds to increase detention subsidies provided to counties from \$40 per day to \$60 in FY 2000-2001 and \$80 in FY 2001-2002.									

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Juvenile Justice

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
7	EXPAN	Detention Subsidy-Increased Rates								
(523JB0X07)	Provide funds to increase detention subsidies provided to counties from \$40 per day to \$60 in FY 2000-2001 and \$80 in FY 2001-2002.									
General Fund					3,796,200	3,796,200		9,520,500	9,520,500	
Total					3,796,200	3,796,200		9,520,500	9,520,500	
8	NEW	Debt Service-Youth Development (YDC)/Detention Centers								
(523JB0X10)	Provide debt service to support Bond Funds totaling \$29,012,000 in FY 2001 to construct 3 new detention centers, replace 1 YDC, education additions at existing facilities, and renovate Morehead YDC.									
General Fund								2,925,000	2,925,000	
Total								2,925,000	2,925,000	
9	NEW	Wage Equity Plan								
(523JA0X01)	Provide funds to support salary improvements.									
General Fund					1,104,500	289,300	(815,200)	1,879,400	432,800	(1,446,600)
Restricted Funds					50,000	50,000		80,000	80,000	
Total					1,154,500	339,300	(815,200)	1,959,400	512,800	(1,446,600)
TOTAL ADDITIONAL					10,118,500	8,240,800	(1,877,700)	24,978,600	22,956,400	(2,022,200)

FB 2000-2002 BUDGET MODIFICATION REPORT

Juvenile Justice BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$1,104,500 in FY 2000-2001 and \$1,879,400 in FY 2001-2002 and additional Restricted Funds support totaling \$50,000 in FY 2000-2001 and \$80,000 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Personnel/Operating Costs for New and Expanded Facilities

Additional General Fund support totaling \$4,587,800 in FY 2000-2001 and \$6,453,700 in FY 2001-2002, and additional Restricted Funds totaling \$100,000 in FY 2000-2001 and \$3,500,000 in FY 2001-2002 are provided to support the personnel, operating, and maintenance costs of five Residential Youth Development Centers (YDC) and Regional Juvenile Detention Centers (RJDC) that will become operational during FB 2000-2002. The additional personnel positions are made up primarily of the Youth Worker I, II, and III series. The following table summarizes the operating costs for the detention facilities.

<u>Facility</u>	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>	<u>Beds</u>	<u>Vehicles</u>	<u>Positions</u>	<u>Opening</u>
Adair County YDC						
General Fund	\$2,253,800	\$1,876,800	48	4	50	February 2001
Warren County RJDC						
General Fund	\$ 893,100	1,113,600				
Restricted Funds		1,200,000				
Total	\$ 893,100	\$2,313,600	48	2	58	May/June 2001
Boyd County RJDC						
General Fund	\$ 550,700	1,313,600				
Restricted Funds		1,000,000				
Total	\$ 550,700	\$2,313,600	48	2	58	August 2001
Laurel County RJDC						
General Fund	\$ 388,300	1,513,600				
Restricted Funds		800,000				
Total	\$ 388,300	\$2,313,600	48	2	58	September 2001
Breathitt County RJDC (EXPAN)						
General Fund	501,900	636,100				
Restricted Funds	100,000	500,000				
Total	\$ 601,900	\$1,136,100	24	2	29	April 2001
Total Budgeted for Facilities	\$4,687,800	\$9,953,700	216	12	253	

FB 2000-2002 BUDGET MODIFICATION REPORT

Juvenile Justice

Debt Service/New and Expanded Facilities

Additional General Fund support is provided in the amount of \$2,925,000 in FY 2001-2002 for debt service funds to support Bond Funds totaling \$29,012,000 for the following projects included in Part II, Capital Projects Budget.

<u>Facility</u>	<u>Beds</u>	<u>FY 2000-2001</u>	<u>Debt Service</u>
Secure Juvenile Detention Facility-Fayette County	50	\$ 6,700,000	\$ 676,000
100-Bed Replacement Facility-Jefferson County	100	10,000,000	1,006,000
Combined Residential/Detention Facility-Hardin County	50	11,211,100	1,128,000
Woodsbend Youth Development Center Education Addition - Morgan County	<u>N/A</u>	<u>1,101,000</u>	<u>115,000</u>
Total	200	\$29,012,000	\$2,925,000

Part II, Capital Projects Budget includes Investment Income totaling \$400,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 for a Maintenance Pool.

Youth Challenge Program

Additional General Fund support totaling \$480,000 in FY 2000-2001 and \$620,000 in FY 2001-2002 is provided to support a military based training program. This program, to be operated under contractual arrangements with the Department of Military Affairs is a 22-week residential military model development and training program. These General Fund moneys are in addition to the funding support included in the Base Level Budget. Total General Fund support for this program totals \$980,000 in FY 2000-2001 and \$1,120,000 in FY 2001-2002. This support, together with an allowable in-kind match, will enable the Department of Military Affairs to match Federal Funds for this program on a 60%/40% (federal/state) basis.

Detention Subsidies for Counties

Additional General Fund support totaling \$3,796,200 in FY 2000-2001 and \$9,520,00 in FY 2001-2002 is provided to increase the detention subsidies to counties from \$40 per day subsidy in FY 1999-2000 to \$60 per day in FY 2000-2001 and to \$80 per day in FY 2001-2002.

Maintenance of Current Services

General Fund support totaling \$814,100 in FY 2000-2001 and \$3,808,400 in FY 2001-2002 is provided in the Base Level Budget to provide for current services.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$339,300 in FY 2000-2001 and \$512,800 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five

FB 2000-2002 BUDGET MODIFICATION REPORT

Juvenile Justice

pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Youth Challenge Program

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$200,000 in FY 2001-2002 is provided to support a military based training program. This program, to be operated under contractual arrangements with the Department of Military Affairs is a 22-week residential military model development and training program. These General Fund moneys are in addition to the funding support included in the Base Level Budget. Total General Fund support for this program totals \$1,000,000 in FY 2000-2001 and \$700,000 in FY 2001-2002. This support, together with an allowable in-kind match, will enable the Department of Military Affairs to match Federal Funds for this program on a 60%/40% (federal/state) basis.

Personnel/Operating Costs for New and Expanded Facilities

The General Assembly revises the scheduled opening/completion date and related cost for the following facilities:

<u>Facility</u>	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>	<u>Beds</u>	<u>Vehicles</u>	<u>Positions</u>	<u>Opening</u>
Adair County YDC						
General Fund	\$1,948,800	\$1,876,800	48	4	50	May 2001
Boyd County RJDC						
General Fund	\$ 336,400	1,274,900				
Restricted Funds		1,000,000				
Total	\$ 336,400	\$2,274,900	48	2	58	Oct./Nov. 2001
Laurel County RJDC						
General Fund	\$ 62,000	1,468,000				
Restricted Funds		800,000				
Total	\$ 62,000	\$2,268,000	48	2	58	Nov./Dec. 2001
Breathitt County RJDC (EXPAN)						
General Fund	265,000	594,800				
Restricted Funds	100,000	500,000				
Total	\$ 365,000	\$1,094,800	24	2	29	July 2001

The General Assembly adds the following projects to Part II, Capital Projects Budget in FY 2000-2001:

FB 2000-2002 BUDGET MODIFICATION REPORT

Juvenile Justice

<u>Capital Item</u>	<u>Restricted Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Morehead Youth Development Center Cottage Renovation	145,000	1,300,000	1,445,000
Mayfield Youth Development Center Education Addition	110,000	990,000	1,100,000
Owensboro Treatment Center Education Addition	110,000	990,000	1,100,000
Green River Youth Development Center Education Addition - Butler County	60,000	540,000	600,000
Secure Juvenile Detention Facility - Boyd County			
Reauthorization (\$5,357,000) Additional Funds		700,000	700,000

The General Assembly directs that the Juvenile Replacement Facility in Jefferson County in Jefferson County may have up to 100 Beds.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Juvenile Justice

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds					425,000	425,000			
Federal Funds					4,520,000	4,520,000			
Bond Funds				29,012,000	29,012,000				
Investment Income				400,000	400,000		500,000	500,000	
TOTAL CAPITAL				29,412,000	34,357,000	4,945,000	500,000	500,000	

II. CAPITAL PROJECTS

1 (5230114)	Miscellaneous Maintenance Fund								
Investment Income				400,000	400,000		500,000	500,000	
Total				400,000	400,000		500,000	500,000	
2 (5230119)	Combined Residential/Detention Facility-Hardin County								
Bond Funds				11,211,000	11,211,000				
Total				11,211,000	11,211,000				
3 (5230115)	Secure Juvenile Detention Center-Fayette County								
Bond Funds				6,700,000	6,700,000				
Total				6,700,000	6,700,000				
4 (5230116)	100-Bed Juvenile Replacement Facility-Jefferson County	GENERAL ASSEMBLY: Up to 100 Beds							
Bond Funds				10,000,000	10,000,000				
Total				10,000,000	10,000,000				
5 (5230122)	Woodsbend Youth Development Center Education Addition-Morgan County								
Bond Funds				1,101,000	1,101,000				
Total				1,101,000	1,101,000				
6 (5230120)	Mayfield Youth Development Center Education Addition								
Restricted Funds					110,000	110,000			
Federal Funds					990,000	990,000			
Total					1,100,000	1,100,000			
7 (5230124)	Owensboro Treatment Center Education Addition								
Restricted Funds					110,000	110,000			
Federal Funds					990,000	990,000			
Total					1,100,000	1,100,000			

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Justice Operations

Cabinet/Function: Justice

Appropriation Unit: Juvenile Justice

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
II. CAPITAL PROJECTS									
8 (5230123) Green River Youth Development Center Education Addition - Butler County									
Restricted Funds					60,000	60,000			
Federal Funds					540,000	540,000			
Total					600,000	600,000			
9 (5230128) Morehead Youth Development Center Cottage Renovation									
Restricted Funds					145,000	145,000			
Federal Funds					1,300,000	1,300,000			
Total					1,445,000	1,445,000			
10 (523GA01) Secure Juvenile Detention Facility - Boyd County Reauthorization - Additional									
Federal Funds					700,000	700,000			
Total					700,000	700,000			
TOTAL				29,412,000	34,357,000	4,945,000	500,000	500,000	

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Summary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	273,959,500	273,959,500		290,059,500	286,639,100	(3,420,400)	322,129,700	315,622,600	(6,507,100)
Restricted Funds	24,452,800	24,452,800		17,732,900	17,732,900		18,324,800	18,324,800	
Federal Funds	4,213,600	4,213,600		1,374,400	1,374,400		374,500	374,500	
Regular Total Funds	302,625,900	302,625,900		309,166,800	305,746,400	(3,420,400)	340,829,000	334,321,900	(6,507,100)
General Fund Continuing	100	100							
GRAND TOTAL FUNDS	302,626,000	302,626,000		309,166,800	305,746,400	(3,420,400)	340,829,000	334,321,900	(6,507,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	154,718,900	154,718,900		166,067,000	162,646,600	(3,420,400)	177,702,200	173,378,100	(4,324,100)
Operating Expenses	38,427,200	38,427,200		38,863,700	38,863,700		40,677,000	40,527,000	(150,000)
Grants, Loans, Benefits	102,348,000	102,348,000		102,601,600	102,601,600		109,041,400	109,041,400	
Debt Service	2,679,000	2,679,000		206,000	206,000		12,417,000	10,384,000	(2,033,000)
Capital Outlay	1,115,900	1,115,900		1,263,500	1,263,500		991,400	991,400	
Construction	3,337,000	3,337,000		165,000	165,000				
TOTAL EXPENDITURES	302,626,000	302,626,000		309,166,800	305,746,400	(3,420,400)	340,829,000	334,321,900	(6,507,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	273,959,500	273,959,500		282,366,100	281,966,100	(400,000)	297,322,700	296,582,700	(740,000)
Restricted Funds	24,452,800	24,452,800		17,504,600	17,600,900	96,300	17,998,700	18,182,600	183,900
Federal Funds	4,213,600	4,213,600		1,374,400	1,374,400		374,500	374,500	
Regular Total Funds	302,625,900	302,625,900		301,245,100	300,941,400	(303,700)	315,695,900	315,139,800	(556,100)
General Fund Continuing	100	100							
TOTAL BASE LEVEL	302,626,000	302,626,000		301,245,100	300,941,400	(303,700)	315,695,900	315,139,800	(556,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				7,693,400	4,673,000	(3,020,400)	24,807,000	19,039,900	(5,767,100)
Restricted Funds				228,300	132,000	(96,300)	326,100	142,200	(183,900)
TOTAL ADDITIONAL				7,921,700	4,805,000	(3,116,700)	25,133,100	19,182,100	(5,951,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Summary

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				1,180,000	1,180,000		536,000	536,000	
Bond Funds				121,208,000	101,008,000	(20,200,000)			
Investment Income				1,400,000	1,400,000		2,000,000	2,000,000	
Emer. Repair & Maint.				1,600,000	1,600,000				
TOTAL CAPITAL				125,388,000	105,188,000	(20,200,000)	2,536,000	2,536,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Corrections Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	15,193,700	15,193,700		15,393,900	15,123,400	(270,500)	28,969,600	26,459,700	(2,509,900)
Restricted Funds	14,358,400	14,358,400		12,679,100	12,679,100		13,241,200	13,241,200	
Federal Funds	2,717,100	2,717,100		1,224,400	1,224,400		224,500	224,500	
Regular Total Funds	32,269,200	32,269,200		29,297,400	29,026,900	(270,500)	42,435,300	39,925,400	(2,509,900)
General Fund Continuing									
GRAND TOTAL FUNDS	32,269,200	32,269,200		29,297,400	29,026,900	(270,500)	42,435,300	39,925,400	(2,509,900)
II. EXPENDITURE CATEGORY									
Personnel Costs	16,710,100	16,710,100		18,137,800	17,867,300	(270,500)	18,944,900	18,468,000	(476,900)
Operating Expenses	9,063,400	9,063,400		9,552,400	9,552,400		10,089,400	10,089,400	
Grants, Loans, Benefits	1,177,500	1,177,500		1,130,500	1,130,500		972,200	972,200	
Debt Service	2,473,000	2,473,000					12,211,000	10,178,000	(2,033,000)
Capital Outlay	350,200	350,200		311,700	311,700		217,800	217,800	
Construction	2,495,000	2,495,000		165,000	165,000				
TOTAL EXPENDITURES	32,269,200	32,269,200		29,297,400	29,026,900	(270,500)	42,435,300	39,925,400	(2,509,900)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	15,193,700	15,193,700		13,764,300	13,764,300		14,210,200	14,210,200	
Restricted Funds	14,358,400	14,358,400		12,450,800	12,547,100	96,300	12,915,100	13,099,000	183,900
Federal Funds	2,717,100	2,717,100		1,224,400	1,224,400		224,500	224,500	
Regular Total Funds	32,269,200	32,269,200		27,439,500	27,535,800	96,300	27,349,800	27,533,700	183,900
General Fund Continuing									
TOTAL BASE LEVEL	32,269,200	32,269,200		27,439,500	27,535,800	96,300	27,349,800	27,533,700	183,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,629,600	1,359,100	(270,500)	14,759,400	12,249,500	(2,509,900)
Restricted Funds				228,300	132,000	(96,300)	326,100	142,200	(183,900)
TOTAL ADDITIONAL				1,857,900	1,491,100	(366,800)	15,085,500	12,391,700	(2,693,800)
V. ADDITIONAL BUDGET ITEMS									
1 EXPFFR	Mental Health - Expanded Community Supervision - Replacement of Federal Funds								
(527CA2X01)	Provide partial funding for replacement of Federal Funds.								
General Fund				567,000	567,000		795,500	795,500	
Total				567,000	567,000		795,500	795,500	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Corrections Management

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS								
2 EXPMAN	Mental Health - Sex Offender Risk Assessment - Replacement of Federal Funds							
(527CA2X02)	Provide partial funding for replacement of Federal Funds.							
General Fund			401,800	401,800		412,900	412,900	
Total			401,800	401,800		412,900	412,900	
3 EXPFFR	Mental Health - Residential Substance Abuse Treatment - Replacement of Federal Funds							
(527CA2X03)	Provide partial funding for replacement of Federal Funds.							
General Fund						380,600	380,600	
Total						380,600	380,600	
4 EXPFFR	Mental Health - Alcohol and Drug Abuse Treatment - Replacement of Federal Funds							
(527CA2X04)	Provide partial funding for replacement of Federal Funds.							
General Fund			210,100	210,100		220,100	220,100	
Total			210,100	210,100		220,100	220,100	
5 NEW	Debt Service - Additional Debt Service							
(527CZAX01)	Provide debt service funds to support Bond Funds (\$121,208,000) for capital projects. GENERAL ASSEMBLY: Provide debt service funds to support Bond Funds (\$101,008,000) for renovations & an 894-bed medium security prison.							
General Fund						12,211,000	10,178,000	(2,033,000)
Total						12,211,000	10,178,000	(2,033,000)
6 EXPAN	Various Programs - Additional Staff Positions							
(527CA0X01)	Provide funds to support personnel and operating costs for 4 PFT positions for Correctional Industries.							
Restricted Funds			132,000	132,000		142,200	142,200	
Total			132,000	132,000		142,200	142,200	
7 NEW	Wage Equity Plan							
(527CA0X02)	Provide funds to support salary improvements.							
General Fund			356,400	85,900	(270,500)	645,000	168,100	(476,900)
Restricted Funds			96,300		(96,300)	183,900		(183,900)
Total			452,700	85,900	(366,800)	828,900	168,100	(660,800)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Corrections Management

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
8 EXPAN	Victim Advocate Verification and Notification System (V-NET)									
(527CADX04)	Provide funds to support the operations of the Victim Advocate Verification and Notification System (V-NET).									
General Fund					94,300	94,300		94,300	94,300	
Total					94,300	94,300		94,300	94,300	
TOTAL ADDITIONAL					1,857,900	1,491,100	(366,800)	15,085,500	12,391,700	(2,693,800)

FB 2000-2002 BUDGET MODIFICATION REPORT

Corrections Management

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$94,300 is provided in each fiscal year of the biennium for the Victim Advocate Verification and Notification System (V-NET).

Additional General Fund support is provided in the Mental Health Division for partial replacement of Federal Funds for the following programs: Expanded Community Supervision, \$567,000 in FY 2000-2001 and \$795,500 in FY 2001-2002; Sex Offender Risk Assessment, \$401,800 in FY 2000-2001 and \$412,900 in FY 2001-2002; Residential Substance Abuse Treatment, \$380,600 in FY 2001-2002; and Alcohol and Drug Abuse Treatment, \$210,100 in FY 2000-2001 and \$220,100 in FY 2001-2002.

Additional Restricted Funds totaling \$132,000 in FY 2000-2001 and \$142,200 in FY 2001-2002 are provided for four additional PFT positions in Correctional Industries.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$356,400 in FY 2000-2001 and \$645,000 in FY 2001-2002, and Restricted Funds support totaling \$96,300 in FY 2000-2001 and \$183,900 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing services.

Additional General Fund support totaling \$12,211,000 is provided in FY 2001-2002 for debt service for Bond Funds totaling \$121,208,000 for capital projects as identified in the Branch Budget Bill, Part II, Capital Projects Budget as follows:

<u>Facility/Project</u>	<u>Bond Funds</u> <u>Branch</u>	<u>Debt Service Requirements</u> <u>Branch</u> <u>FY 2001-2002</u>
Blackburn Correctional Complex-Roof Replacement	\$1,400,000	\$146,000
Elliott County-New Medium Security Prison	\$90,408,000	\$9,096,000
Knott County-New Medium Security Prison	\$17,200,000	\$1,731,000
Kentucky State Reformatory-New Gas Fired Boiler	\$7,000,000	\$706,000
Kentucky Correctional Institution for Women-Phase II Expansion Design	\$900,000	\$96,000
Western Kentucky Correctional Complex-44-Bed Segregation Unit	\$4,300,000	\$436,000
Total - Bond Funds/Debt Service	\$121,208,000	\$12,211,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Corrections Management

Also recommended in the Capital Projects Budget is the sum of \$4,180,000 (\$1,400,000 Investment Income; \$1,600,000 Emergency Repair, Maintenance and Replacement Fund; and \$1,180,000 Restricted Funds) in FY 2000-2001 and \$2,536,000 (\$2,000,000 Investment Income; and \$536,000 Restricted Funds) in FY 2001-2002 for the following projects:

<u>Project</u>	<u>Fund Sources</u>	<u>FY 2000-2001</u>	<u>FY 2001-2002</u>
Corr/Miscellaneous Maintenance Pool	Investment Income	\$1,400,000	\$2,000,000
Kentucky State Reformatory- Exterior Stabilization of Administration Building	Emergency Repair, Maintenance and Replacement	\$1,600,000	
Correctional Industries Warehouse/Office Complex (Reauthorization)			
Kentucky State Reformatory-Two Transportation Buses	Restricted Funds	\$620,000	
Corr/Optical Imaging	Restricted Funds	\$560,000	\$536,000
Total		\$4,180,000	\$2,536,000

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Jefferson County with a cost that exceeds \$200,000 per year.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Reimbursement to Counties for Interstate Inmate Detainees under the Corrections Management budget unit and Adjustment of Appropriations Between Appropriation Units under the Department of Corrections as follows:

Reimbursement to Counties for Interstate Inmate Detainees: The Department of Corrections shall reimburse fifty percent (50%) of documented expense claims for prior year costs incurred by counties for holding interstate inmate detainees awaiting transfer in local jails and the sum of \$40,000 in fiscal year 1999-2000 is included in the General Fund appropriation for this purpose. The funding support for this purpose is included in the Base Level Budget.

Adjustment of Appropriations Between Appropriation Units: The General Assembly has determined that the Department of Corrections shall be permitted to adjust appropriations between and among the following appropriation units in fiscal year 2000-2001 and in fiscal year 2001-2002; community services and local facilities, adult correctional institutions, and local jail support. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases and/or decreases shall be permitted. Any appropriations transferred or otherwise directed between and among these appropriation units shall be documented and justified in writing. No adjustments may be made except upon the prior written concurrence of the State Budget Director of the Governor's Office for Policy and Management who shall report such adjustment to the Interim Joint Committee on Appropriations and Revenue.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly increases the Restricted Funds support for the Base Level Budget in FY 2000-2001 by \$96,300 and by \$183,900 in FY 2001-2002 due to the reduced costs associated with the modified Wage Equity Plan.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$85,900 in FY 2000-2001 and \$168,100 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an

FB 2000-2002 BUDGET MODIFICATION REPORT

Corrections Management

additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly amends Part II, Capital Projects Budget, to provide General Fund support totaling \$10,178,000 in FY 2001-2002 for debt service for Bond Funds totaling \$101,008,000 for capital projects as follows:

<u>Facility/Project</u>	<u>Bond Funds</u>	<u>Debt Service Requirements</u>
	<u>General Assembly</u>	<u>General Assembly</u> <u>FY 2001-2002</u>
Blackburn Correctional Complex-Roof Replacement	\$1,400,000	\$146,000
Elliott County-New Medium Security Prison	\$87,408,000	\$8,794,000
Kentucky State Reformatory-New Gas Fired Boiler	\$7,000,000	\$706,000
Kentucky Correctional Institution for Women-Phase II Expansion Design	\$900,000	\$96,000
Western Kentucky Correctional Complex-44-Bed Segregation Unit	\$4,300,000	\$436,000
Total - Bond Funds/Debt Service	\$101,008,000	\$10,178,000

The General Assembly provides Part II, Capital Projects Budget, language provision that directs: Funds are appropriated for the design/build method of construction or the conventional construction method for the Elliott County Prison project not to exceed the total Bond Funds appropriation of \$87,408,000.

The General Assembly provides Part II, Capital Projects Budget, language provision that directs: Funds are appropriated in the above appropriation to facilitate connecting the prison to the upgraded wastewater treatment plant in the City of Sandy Hook.

The General Assembly amends Part IX, Special Provisions, language provision relating to Adjustment of Appropriations Between Appropriation Units to read as follows and includes this provision under the Corrections Management budget unit:

The General Assembly has determined that the Department of Corrections shall be permitted to adjust appropriations between and among the following appropriation units in fiscal year 2000-2001 and in fiscal year 2001-2002 not to exceed \$3,000,000: Community Services and Local Facilities and Adult Correctional Institutions. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases and/or decreases shall be permitted. Any appropriations transferred or otherwise directed between and among these appropriation units shall be documented and justified in writing. No adjustments may be made except upon the prior written concurrence of the State Budget Director of the Governor's Office for Policy and Management who shall report such adjustment to the Interim Joint Committee on Appropriations and Revenue.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Corrections Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				1,180,000	1,180,000		536,000	536,000	
Bond Funds				121,208,000	101,008,000	(20,200,000)			
Investment Income				1,400,000	1,400,000		2,000,000	2,000,000	
Emer. Repair & Maint.				1,600,000	1,600,000				
TOTAL CAPITAL				125,388,000	105,188,000	(20,200,000)	2,536,000	2,536,000	
II. CAPITAL PROJECTS									
1 (5270151) Maintenance Pool									
Investment Income				1,400,000	1,400,000		2,000,000	2,000,000	
Total				1,400,000	1,400,000		2,000,000	2,000,000	
2 (5270166) New Medium Security Prison / Design/Build - Elliott County									
Bond Funds				90,408,000	87,408,000	(3,000,000)			
Total				90,408,000	87,408,000	(3,000,000)			
3 (5270130) Kentucky State Reformatory - New Gas Fired Boiler Plant									
Bond Funds				7,000,000	7,000,000				
Total				7,000,000	7,000,000				
4 (5270142) Kentucky Correctional Institution for Women - Phase II Expansion - Design Only									
Bond Funds				900,000	900,000				
Total				900,000	900,000				
5 (5270169) Kentucky State Reformatory - Exterior Stabilization of Administration Building									
Emer. Repair & Maint.				1,600,000	1,600,000				
Total				1,600,000	1,600,000				
6 (5270153) Western Kentucky Correctional Complex - 44-Bed Segregation Unit									
Bond Funds				4,300,000	4,300,000				
Total				4,300,000	4,300,000				
7 (5270131) Corr/Optical Imaging									
Restricted Funds				560,000	560,000		536,000	536,000	
Total				560,000	560,000		536,000	536,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Corrections Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
II. CAPITAL PROJECTS									
8 (5270149) Kentucky State Reformatory - Two Transportation Buses									
Restricted Funds				620,000	620,000				
Total				620,000	620,000				
9 (5270140) Blackburn Correctional Complex - Roof Replacement									
Bond Funds				1,400,000	1,400,000				
Total				1,400,000	1,400,000				
10 (5270001) New Medium Security Prison - Design and Site Acquisition - Knott County									
Bond Funds				17,200,000		(17,200,000)			
Total				17,200,000		(17,200,000)			
11 (527AGA01) Correctional Industries Warehouse/Office Complex (Reauthorization)									
Total									
12 (527B0001) Jefferson County - Lease (Probation and Parole)									
Total									
TOTAL				125,388,000	105,188,000	(20,200,000)	2,536,000	2,536,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Community Services and Local Facilities

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	69,833,700	69,833,700		74,741,300	73,994,600	(746,700)	80,758,500	80,272,300	(486,200)
Restricted Funds	630,200	630,200		625,000	625,000		625,000	625,000	
Federal Funds	1,346,500	1,346,500							
Regular Total Funds	71,810,400	71,810,400		75,366,300	74,619,600	(746,700)	81,383,500	80,897,300	(486,200)
General Fund Continuing									
GRAND TOTAL FUNDS	71,810,400	71,810,400		75,366,300	74,619,600	(746,700)	81,383,500	80,897,300	(486,200)
II. EXPENDITURE CATEGORY									
Personnel Costs	28,508,000	28,508,000		31,973,500	31,226,800	(746,700)	34,247,500	33,761,300	(486,200)
Operating Expenses	3,257,500	3,257,500		3,217,400	3,217,400		3,240,100	3,240,100	
Grants, Loans, Benefits	40,044,900	40,044,900		40,175,400	40,175,400		43,895,900	43,895,900	
TOTAL EXPENDITURES	71,810,400	71,810,400		75,366,300	74,619,600	(746,700)	81,383,500	80,897,300	(486,200)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	69,833,700	69,833,700		71,103,400	71,103,400		73,855,500	73,855,500	
Restricted Funds	630,200	630,200		625,000	625,000		625,000	625,000	
Federal Funds	1,346,500	1,346,500							
Regular Total Funds	71,810,400	71,810,400		71,728,400	71,728,400		74,480,500	74,480,500	
General Fund Continuing									
TOTAL BASE LEVEL	71,810,400	71,810,400		71,728,400	71,728,400		74,480,500	74,480,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,637,900	2,891,200	(746,700)	6,903,000	6,416,800	(486,200)
TOTAL ADDITIONAL				3,637,900	2,891,200	(746,700)	6,903,000	6,416,800	(486,200)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Local Facilities - Local Jail Beds Expansion								
(527CEFX01)	Provide funds to support increased felon population housed in local jails (an additional 502 minimum and 200 medium security beds in FY 2000-01 and 450 medium security beds in FY 2001-02); and an additional 50 halfway house beds during the biennium.								
General Fund							2,236,000	2,236,000	
Total							2,236,000	2,236,000	
2 EXPAN	Probation and Parole - Caseload Expansion and Retrenchment								
(527CE1X03)	Provide funds to support 55 PFT positions and reduce caseloads.								
General Fund				2,200,000	1,600,000	(600,000)	2,350,000	2,350,000	
Total				2,200,000	1,600,000	(600,000)	2,350,000	2,350,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Community Services and Local Facilities

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3	EXPFFR	Probation and Parole - Expanded Community Supervision - Replacement of Federal Funds								
(527CE1X04)		Provide partial funding for replacement of Federal Funds.								
General Fund					960,900	960,900		1,256,000	1,256,000	
Total					960,900	960,900		1,256,000	1,256,000	
4	EXPAN	Probation and Parole - Career Ladder								
(527CE1X05)		Provide funds to support an additional 5% & 10% salary increase for Probation & Parole officers with 5 & 10 yrs. state service, respectively, consistent with KRS 196.076; & provide an additional 10% or \$2,500 increase for officers having 15 yrs. service.								
General Fund						179,600	179,600		264,200	264,200
Total						179,600	179,600		264,200	264,200
5	NEW	Wage Equity Plan								
(527CE1X08)		Provide funds to support salary improvements.								
General Fund					477,000	150,700	(326,300)	1,061,000	310,600	(750,400)
Total					477,000	150,700	(326,300)	1,061,000	310,600	(750,400)
TOTAL ADDITIONAL					3,637,900	2,891,200	(746,700)	6,903,000	6,416,800	(486,200)

FB 2000-2002 BUDGET MODIFICATION REPORT

Community Services and Local Facilities

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund Support totaling \$2,200,000 in FY 2000-2001 and \$2,350,000 in FY 2001-2002 is provided for the Caseload Expansion and Retrenchment initiative in the Division of Probation and Parole. These funds support 55 additional permanent full-time positions for the purpose of reducing caseloads.

Additional General Fund support totaling \$960,900 in FY 2000-2001 and \$1,256,000 in FY 2001-2002 is provided for partial replacement of Federal Funds for the Expanded Community Supervision Program in the Division of Probation and Parole.

Additional General Fund support totaling \$2,236,000 in FY 2001-2002 is provided for Jail Bed Expansion in the Division of Local Facilities. These funds provide support for an additional 502 minimum, and 200 medium, security beds in FY 2000-2001 and 450 medium security beds in FY 2001-2002; and an additional 50 halfway house beds during the biennium.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$477,000 in FY 2000-2001 and \$1,061,000 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing services.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Jefferson County with a cost that exceeds \$200,000 per year. This lease is included in the Capital Projects Budget recommendation for the Department of Corrections, Corrections Management budget unit and is authorization to lease space for the Division of Probation and Parole.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

Additional General Fund support totaling \$1,600,000 in FY 2000-2001 and \$2,350,000 in FY 2001-2002 is provided for the Caseload Expansion and Retrenchment initiative in the Division of Probation and Parole. These funds support 55 additional permanent full-time positions for the purpose of reducing caseloads.

Additional General Fund support totaling \$179,600 in FY 2000-2001 and \$264,200 in FY 2001-2002 is provided to support an additional 5% and 10% salary increase for Probation and Parole officers with 5 and 10 years state service, respectively, consistent with KRS 196.076, and to provide an additional 10% or \$2,500 increase for officers having 15 years service.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$150,700 in FY 2000-2001 and \$310,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Community Services and Local Facilities

by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Adult Correctional Institutions

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	174,363,600	174,363,600		185,006,200	182,603,000	(2,403,200)	197,125,500	193,614,500	(3,511,000)
Restricted Funds	9,464,200	9,464,200		4,428,800	4,428,800		4,458,600	4,458,600	
Federal Funds	150,000	150,000		150,000	150,000		150,000	150,000	
Regular Total Funds	183,977,800	183,977,800		189,585,000	187,181,800	(2,403,200)	201,734,100	198,223,100	(3,511,000)
General Fund Continuing									
GRAND TOTAL FUNDS	183,977,800	183,977,800		189,585,000	187,181,800	(2,403,200)	201,734,100	198,223,100	(3,511,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	109,475,800	109,475,800		115,930,700	113,527,500	(2,403,200)	124,484,800	121,123,800	(3,361,000)
Operating Expenses	25,668,300	25,668,300		25,655,900	25,655,900		26,909,500	26,759,500	(150,000)
Grants, Loans, Benefits	47,020,000	47,020,000		46,840,600	46,840,600		49,360,200	49,360,200	
Debt Service	206,000	206,000		206,000	206,000		206,000	206,000	
Capital Outlay	765,700	765,700		951,800	951,800		773,600	773,600	
Construction	842,000	842,000							
TOTAL EXPENDITURES	183,977,800	183,977,800		189,585,000	187,181,800	(2,403,200)	201,734,100	198,223,100	(3,511,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	174,363,600	174,363,600		182,580,300	182,180,300	(400,000)	193,980,900	193,240,900	(740,000)
Restricted Funds	9,464,200	9,464,200		4,428,800	4,428,800		4,458,600	4,458,600	
Federal Funds	150,000	150,000		150,000	150,000		150,000	150,000	
Regular Total Funds	183,977,800	183,977,800		187,159,100	186,759,100	(400,000)	198,589,500	197,849,500	(740,000)
General Fund Continuing									
TOTAL BASE LEVEL	183,977,800	183,977,800		187,159,100	186,759,100	(400,000)	198,589,500	197,849,500	(740,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,425,900	422,700	(2,003,200)	3,144,600	373,600	(2,771,000)
TOTAL ADDITIONAL				2,425,900	422,700	(2,003,200)	3,144,600	373,600	(2,771,000)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(527CB1X04)	Provide funds to support salary improvements.								
General Fund				2,425,900	422,700	(2,003,200)	3,144,600	373,600	(2,771,000)
Total				2,425,900	422,700	(2,003,200)	3,144,600	373,600	(2,771,000)
TOTAL ADDITIONAL				2,425,900	422,700	(2,003,200)	3,144,600	373,600	(2,771,000)

FB 2000-2002 BUDGET MODIFICATION REPORT

Adult Correctional Institutions

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$2,425,900 in FY 2000-2001 and \$3,144,600 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 of each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Funding support from reduced employer retirement contributions and vacancy credits is included in the Base Level Budget to support increased costs of existing services.

General Fund support totaling \$2,524,200 in FY 2000-2001 and \$6,117,700 in FY 2001-2002 is provided in the Base Level Budget for the operation and maintenance of five previously planned facilities: Kentucky State Reformatory, 150-Bed Transition Dorm, \$1,734,700 in FY 2001-2002; Kentucky State Penitentiary, 50-Bed Segregation Unit, \$408,800 in FY 2000-2001 and \$835,200 in FY 2001-2002; Blackburn Correctional Complex, 200-Bed Dormitory, \$1,270,100 in FY 2000-2001 and \$1,816,300 in FY 2001-2002; Kentucky Correctional Institution for Women, Phase I Renovation Project, \$413,600 in FY 2000-2001 and \$1,178,100 in FY 2001-2002; and Green River Correctional Complex, 50-Bed Minimum Security Dormitory, \$431,700 in FY 2000-2001 and \$553,400 in FY 2001-2002.

The Capital Budget Recommendation includes funding support within the Department of Corrections, Corrections Management budget unit to provide for renovation or construction of adult correctional institutions.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Inmate Projection/Bed Status and Financial Reports and Reporting Requirements as follows:

- a. Inmate Projection/Bed Status and Financial Reports: The Justice Cabinet, Department of Corrections, shall provide a quarterly report regarding inmate population projections relating to state prisoners to the Interim Joint Committee on Appropriations and Revenue. The Justice Cabinet, Department of Corrections, shall provide a monthly status of all bed space utilized to house state prisoners, including state penitentiaries, adult correctional facilities, local jails, regional jails, halfway houses, community confinement programs, and diversion programs. The Justice Cabinet, Department of Corrections, shall provide a quarterly program and financial status report which identifies the expenditure of these funds to the Interim Joint Committee on Appropriations and Revenue. The report shall provide, at a minimum, the purpose for which the expenditure was made; the projected goal to be accomplished and outcomes, and their status; and the number of participants.
- b. Reporting Requirements: The Department of Corrections shall require and Private Prison Bed Contractors shall provide to the Department of Corrections an annual report that contains, at a minimum, personnel data that includes a pay scale/job classification structure for all employees; information detailing salaries of personnel and related benefits by pay scale/job classification structure; and the minimum, average, and maximum salary, plus fringe benefits provided for all employed persons. The information provided shall be consistent with the Department of Corrections pay scale and job classification structure for all Department of Corrections employees. Fringe benefits shall be identified separately from salary expense. The Department of Corrections shall annually furnish a report containing the above information plus like data for persons employed in comparable positions within Adult Correctional Facilities statewide to the Personnel Cabinet and Legislative Research Commission.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Adult Correctional Institutions

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$422,700 in FY 2000-2001 and \$373,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Fund Base Level Budget is reduced by \$400,000 in FY 2001-2002 and \$740,000 in FY 2001-2002 due to cost savings resulting from the revisions of the scheduled opening/completion of facilities to become operational during FB 2000-2002.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Corrections

Cabinet/Function: Justice

Appropriation Unit: Local Jail Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,568,500	14,568,500		14,918,100	14,918,100		15,276,100	15,276,100	
Regular Total Funds	14,568,500	14,568,500		14,918,100	14,918,100		15,276,100	15,276,100	
General Fund Continuing	100	100							
GRAND TOTAL FUNDS	14,568,600	14,568,600		14,918,100	14,918,100		15,276,100	15,276,100	
II. EXPENDITURE CATEGORY									
Personnel Costs	25,000	25,000		25,000	25,000		25,000	25,000	
Operating Expenses	438,000	438,000		438,000	438,000		438,000	438,000	
Grants, Loans, Benefits	14,105,600	14,105,600		14,455,100	14,455,100		14,813,100	14,813,100	
TOTAL EXPENDITURES	14,568,600	14,568,600		14,918,100	14,918,100		15,276,100	15,276,100	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	14,568,500	14,568,500		14,918,100	14,918,100		15,276,100	15,276,100	
Regular Total Funds	14,568,500	14,568,500		14,918,100	14,918,100		15,276,100	15,276,100	
General Fund Continuing	100	100							
TOTAL BASE LEVEL	14,568,600	14,568,600		14,918,100	14,918,100		15,276,100	15,276,100	

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Local Jail Support

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs including General Fund support totaling \$13,238,600 in FY 2000-2001 and \$13,567,400 in FY 2001-2002 for local jail allotment payments to county governments for jail operations based on a weighted formula codified in KRS 441.206 and \$463,000 in each fiscal year for the Jailers' Allowance program in accordance with the provisions of KRS 441.115.

In addition to the above funding amounts, the Branch Budget Bill, Part I, Operating Budget, includes language provision that directs: Included in the General Fund appropriation is \$909,300 in fiscal year 2000-2001 and \$931,100 in fiscal year 2001-2002 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206; \$300,000 in fiscal year 2000-2001 and \$300,000 in fiscal year 2001-2002 is provided, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis, and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The General Assembly amends Part I, Operating Budget, language provision to direct that included in the General Fund appropriation is \$307,200 in FY 2000-2001 and \$314,600 in FY 2001-2002 to provide, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045.

**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

LABOR

JUNE 7, 2000

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**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT**

Cabinet/Function: Labor

	FY 1999-2000 Budget	FY 2000-2001		FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly
General Administration and Support	532,800	1,445,600	545,600	(900,000)	1,458,700	558,700
Workplace Standards	1,834,500	2,024,800	2,024,800		2,080,700	2,080,700
Workers' Compensation Funding Commission	19,000,000	19,000,000	19,000,000		19,000,000	19,000,000
Operating Budget Total	21,367,300	22,470,400	21,570,400	(900,000)	22,539,400	21,639,400

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT

Cabinet/Function: Labor

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration and Support	4,488,000	5,291,800	5,291,800		5,384,200	5,384,200	
Workplace Standards	148,658,000	131,541,200	131,541,200		130,275,200	130,275,200	
Workers Claims	15,637,000	14,942,300	14,942,300		15,806,800	15,806,800	
Ky Occupational Safety and Health Review Comm.	319,500	429,800	429,800		443,100	443,100	
Workers' Compensation Funding Commission	152,337,500	135,164,000	135,957,600	793,600	135,220,600	136,075,500	854,900
Operating Budget Total	321,440,000	287,369,100	288,162,700	793,600	287,129,900	287,984,800	854,900

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT

Cabinet/Function: Labor

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly	Difference	Branch	General Assembly
Workplace Standards	3,278,500	3,453,000	3,453,000		3,453,000	3,453,000
Ky Occupational Safety and Health Review Comm.	174,500					
Operating Budget Total	3,453,000	3,453,000	3,453,000		3,453,000	3,453,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Labor

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration and Support	5,020,800	6,737,400	5,837,400	(900,000)	6,842,900	5,942,900	(900,000)
Workplace Standards	153,771,000	137,019,000	137,019,000		135,808,900	135,808,900	
Workers Claims	15,637,000	14,942,300	14,942,300		15,806,800	15,806,800	
Ky Occupational Safety and Health Review Comm.	494,000	429,800	429,800		443,100	443,100	
Workers' Compensation Funding Commission	171,337,500	154,164,000	154,957,600	793,600	154,220,600	155,075,500	854,900
Operating Budget Total	346,260,300	313,292,500	313,186,100	(106,400)	313,122,300	313,077,200	(45,100)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Function Summary

Cabinet/Function: Labor

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	21,367,300	21,367,300		22,470,400	21,570,400	(900,000)	22,539,400	21,639,400	(900,000)
Restricted Funds	321,440,000	321,440,000		287,369,100	288,162,700	793,600	287,129,900	287,984,800	854,900
Federal Funds	3,453,000	3,453,000		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	346,260,300	346,260,300		313,292,500	313,186,100	(106,400)	313,122,300	313,077,200	(45,100)
General Fund Continuing									
GRAND TOTAL FUNDS	346,260,300	346,260,300		313,292,500	313,186,100	(106,400)	313,122,300	313,077,200	(45,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	30,248,100	30,248,100		28,953,800	28,265,800	(688,000)	30,534,800	29,793,500	(741,300)
Operating Expenses	158,413,200	158,413,200		142,504,800	143,117,100	612,300	142,409,400	143,129,200	719,800
Grants, Loans, Benefits	156,851,000	156,851,000		141,610,000	141,610,000		139,860,000	139,860,000	
Capital Outlay	278,000	278,000		223,900	193,200	(30,700)	318,100	294,500	(23,600)
Construction	470,000	470,000							
TOTAL EXPENDITURES	346,260,300	346,260,300		313,292,500	313,186,100	(106,400)	313,122,300	313,077,200	(45,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	21,367,300	21,367,300		21,424,100	21,424,100		21,482,300	21,482,300	
Restricted Funds	321,440,000	321,440,000		285,668,200	285,940,000	271,800	285,637,200	285,800,300	163,100
Federal Funds	3,453,000	3,453,000		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	346,260,300	346,260,300		310,545,300	310,817,100	271,800	310,572,500	310,735,600	163,100
General Fund Continuing									
TOTAL BASE LEVEL	346,260,300	346,260,300		310,545,300	310,817,100	271,800	310,572,500	310,735,600	163,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,046,300	146,300	(900,000)	1,057,100	157,100	(900,000)
Restricted Funds				1,700,900	2,222,700	521,800	1,492,700	2,184,500	691,800
TOTAL ADDITIONAL				2,747,200	2,369,000	(378,200)	2,549,800	2,341,600	(208,200)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Cabinet Summary

Cabinet/Function: Labor

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,367,300	2,367,300		3,470,400	2,570,400	(900,000)	3,539,400	2,639,400	(900,000)
Restricted Funds	169,102,500	169,102,500		152,205,100	152,205,100		151,909,300	151,909,300	
Federal Funds	3,453,000	3,453,000		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	174,922,800	174,922,800		159,128,500	158,228,500	(900,000)	158,901,700	158,001,700	(900,000)
General Fund Continuing									
GRAND TOTAL FUNDS	174,922,800	174,922,800		159,128,500	158,228,500	(900,000)	158,901,700	158,001,700	(900,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	28,895,300	28,895,300		27,599,600	26,911,600	(688,000)	28,989,700	28,248,400	(741,300)
Operating Expenses	7,898,500	7,898,500		8,695,000	8,513,700	(181,300)	8,733,900	8,598,800	(135,100)
Grants, Loans, Benefits	137,851,000	137,851,000		122,610,000	122,610,000		120,860,000	120,860,000	
Capital Outlay	278,000	278,000		223,900	193,200	(30,700)	318,100	294,500	(23,600)
TOTAL EXPENDITURES	174,922,800	174,922,800		159,128,500	158,228,500	(900,000)	158,901,700	158,001,700	(900,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,367,300	2,367,300		2,424,100	2,424,100		2,482,300	2,482,300	
Restricted Funds	169,102,500	169,102,500		151,131,100	151,401,800	270,700	150,954,200	151,117,300	163,100
Federal Funds	3,453,000	3,453,000		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	174,922,800	174,922,800		157,008,200	157,278,900	270,700	156,889,500	157,052,600	163,100
General Fund Continuing									
TOTAL BASE LEVEL	174,922,800	174,922,800		157,008,200	157,278,900	270,700	156,889,500	157,052,600	163,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				1,046,300	146,300	(900,000)	1,057,100	157,100	(900,000)
Restricted Funds				1,074,000	803,300	(270,700)	955,100	792,000	(163,100)
TOTAL ADDITIONAL				2,120,300	949,600	(1,170,700)	2,012,200	949,100	(1,063,100)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Labor Cabinet

Cabinet/Function: Labor

Appropriation Unit: General Administration and Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	532,800	532,800		1,445,600	545,600	(900,000)	1,458,700	558,700	(900,000)
Restricted Funds	4,488,000	4,488,000		5,291,800	5,291,800		5,384,200	5,384,200	
Regular Total Funds	5,020,800	5,020,800		6,737,400	5,837,400	(900,000)	6,842,900	5,942,900	(900,000)
General Fund Continuing									
GRAND TOTAL FUNDS	5,020,800	5,020,800		6,737,400	5,837,400	(900,000)	6,842,900	5,942,900	(900,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	3,819,000	3,819,000		4,622,900	3,934,900	(688,000)	4,914,100	4,172,800	(741,300)
Operating Expenses	964,800	964,800		1,903,000	1,721,700	(181,300)	1,737,600	1,602,500	(135,100)
Grants, Loans, Benefits	120,000	120,000		120,000	120,000		120,000	120,000	
Capital Outlay	117,000	117,000		91,500	60,800	(30,700)	71,200	47,600	(23,600)
TOTAL EXPENDITURES	5,020,800	5,020,800		6,737,400	5,837,400	(900,000)	6,842,900	5,942,900	(900,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	532,800	532,800		545,600	545,600		558,700	558,700	
Restricted Funds	4,488,000	4,488,000		4,603,400	4,640,800	37,400	4,793,900	4,810,600	16,700
Regular Total Funds	5,020,800	5,020,800		5,149,000	5,186,400	37,400	5,352,600	5,369,300	16,700
General Fund Continuing									
TOTAL BASE LEVEL	5,020,800	5,020,800		5,149,000	5,186,400	37,400	5,352,600	5,369,300	16,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				900,000		(900,000)	900,000		(900,000)
Restricted Funds				688,400	651,000	(37,400)	590,300	573,600	(16,700)
TOTAL ADDITIONAL				1,588,400	651,000	(937,400)	1,490,300	573,600	(916,700)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	General Administration and Support-Information Technology								
(900A00X01)	Provide funds to expand information technology on a Cabinet-wide basis (equipment, software, maintenance and training costs.)								
Restricted Funds				625,800	625,800		537,600	537,600	
Total				625,800	625,800		537,600	537,600	
2 NEW	General Administration and Support-Collective Bargaining								
(900A00X02)	Provide funds to support a Collective Bargaining proposal for state and local government employees.								
General Fund				900,000		(900,000)	900,000		(900,000)
Total				900,000		(900,000)	900,000		(900,000)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Labor Cabinet

Cabinet/Function: Labor

Appropriation Unit: General Administration and Support

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3 NEW	Wage Equity Plan									
(900A00X03)	Support salary improvement.									
Restricted Funds					62,600	25,200	(37,400)	52,700	36,000	(16,700)
Total					62,600	25,200	(37,400)	52,700	36,000	(16,700)
TOTAL ADDITIONAL					1,588,400	651,000	(937,400)	1,490,300	573,600	(916,700)

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration and Support

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$900,000 in each fiscal year of the biennium is provided for a Collective Bargaining proposal for state and local government employees.

Additional Restricted Funds support totaling \$625,800 in FY 2000-2001 and \$537,600 in FY 2001-2002 is provided to expand Departmental information technology projects.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$62,600 in FY 2000-2001 and \$52,700 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County with a cost that exceeds \$200,000 per year.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, Restricted Funds dollars are provided in the amount of \$25,200 in FY 2000-2001 and \$36,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

General Fund support totaling \$900,000 in each fiscal year of the biennium for the Collective Bargaining proposal for state and local government employees is not included.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Cabinet/Function: Labor

Agency: Labor Cabinet

Appropriation Unit: General Administration and Support

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (9000001) Lease-Franklin County

Total

TOTAL

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Labor Cabinet

Cabinet/Function: Labor

Appropriation Unit: Workplace Standards

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,834,500	1,834,500		2,024,800	2,024,800		2,080,700	2,080,700	
Restricted Funds	148,658,000	148,658,000		131,541,200	131,541,200		130,275,200	130,275,200	
Federal Funds	3,278,500	3,278,500		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	153,771,000	153,771,000		137,019,000	137,019,000		135,808,900	135,808,900	
General Fund Continuing									
GRAND TOTAL FUNDS	153,771,000	153,771,000		137,019,000	137,019,000		135,808,900	135,808,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	12,434,800	12,434,800		10,967,200	10,967,200		11,416,900	11,416,900	
Operating Expenses	3,524,200	3,524,200		3,429,400	3,429,400		3,417,200	3,417,200	
Grants, Loans, Benefits	137,731,000	137,731,000		122,490,000	122,490,000		120,740,000	120,740,000	
Capital Outlay	81,000	81,000		132,400	132,400		234,800	234,800	
TOTAL EXPENDITURES	153,771,000	153,771,000		137,019,000	137,019,000		135,808,900	135,808,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,834,500	1,834,500		1,878,500	1,878,500		1,923,600	1,923,600	
Restricted Funds	148,658,000	148,658,000		131,330,300	131,505,400	175,100	130,057,900	130,222,400	164,500
Federal Funds	3,278,500	3,278,500		3,453,000	3,453,000		3,453,000	3,453,000	
Regular Total Funds	153,771,000	153,771,000		136,661,800	136,836,900	175,100	135,434,500	135,599,000	164,500
General Fund Continuing									
TOTAL BASE LEVEL	153,771,000	153,771,000		136,661,800	136,836,900	175,100	135,434,500	135,599,000	164,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				146,300	146,300		157,100	157,100	
Restricted Funds				210,900	35,800	(175,100)	217,300	52,800	(164,500)
TOTAL ADDITIONAL				357,200	182,100	(175,100)	374,400	209,900	(164,500)
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Employment Standards-Investigators								
(920BB0X01)	Provide support for 3 PFT field investigators.								
General Fund				146,300	146,300		157,100	157,100	
Total				146,300	146,300		157,100	157,100	
2 NEW	Wage Equity Plan								
(920BB0X02)	Support salary improvement.								

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Labor Cabinet

Cabinet/Function: Labor

Appropriation Unit: Workplace Standards

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	NEW Wage Equity Plan									
(920BB0X02)	Support salary improvement.									
Restricted Funds					210,900	35,800	(175,100)	217,300	52,800	(164,500)
Total					210,900	35,800	(175,100)	217,300	52,800	(164,500)
TOTAL ADDITIONAL					357,200	182,100	(175,100)	374,400	209,900	(164,500)

FB 2000-2002 BUDGET MODIFICATION REPORT

Workplace Standards

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Additional General Fund support totaling \$146,300 in FY 2000-20001 and \$157,100 in FY 2001-2002 is provided for three additional (PFT) Wage and Hour Investigators.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$210,900 in FY 2000-2001 and \$217,300 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Projected expenditures for Special Fund awards total \$121,000,000 in FY 2000-2001 and \$119,000,000 in FY 2001-2002. The recommended budget for FB 2000-2002 includes funding for 49 PFT positions.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, Restricted Funds dollars are provided in the amount of \$35,800 in FY 2000-2001 and \$52,800 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Labor

Agency: Labor Cabinet
Appropriation Unit: Workers Claims

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	15,637,000	15,637,000		14,942,300	14,942,300		15,806,800	15,806,800	
Regular Total Funds	15,637,000	15,637,000		14,942,300	14,942,300		15,806,800	15,806,800	
General Fund Continuing									
GRAND TOTAL FUNDS	15,637,000	15,637,000		14,942,300	14,942,300		15,806,800	15,806,800	
II. EXPENDITURE CATEGORY									
Personnel Costs	12,192,000	12,192,000		11,628,400	11,628,400		12,260,400	12,260,400	
Operating Expenses	3,365,000	3,365,000		3,313,900	3,313,900		3,534,300	3,534,300	
Capital Outlay	80,000	80,000					12,100	12,100	
TOTAL EXPENDITURES	15,637,000	15,637,000		14,942,300	14,942,300		15,806,800	15,806,800	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	15,637,000	15,637,000		14,769,300	14,828,900	59,600	15,659,500	15,645,600	(13,900)
Regular Total Funds	15,637,000	15,637,000		14,769,300	14,828,900	59,600	15,659,500	15,645,600	(13,900)
General Fund Continuing									
TOTAL BASE LEVEL	15,637,000	15,637,000		14,769,300	14,828,900	59,600	15,659,500	15,645,600	(13,900)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				173,000	113,400	(59,600)	147,300	161,200	13,900
TOTAL ADDITIONAL				173,000	113,400	(59,600)	147,300	161,200	13,900
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(925CB0X01)	Support salary improvement.								
Restricted Funds				173,000	113,400	(59,600)	147,300	161,200	13,900
Total				173,000	113,400	(59,600)	147,300	161,200	13,900
TOTAL ADDITIONAL				173,000	113,400	(59,600)	147,300	161,200	13,900

FB 2000-2002 BUDGET MODIFICATION REPORT

Workers' Claims

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$173,000 in FY 2000-2001 and \$147,300 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County with a cost that exceeds \$200,000 per year.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, Restricted Funds dollars are provided in the amount of \$113,400 in FY 2000-2001 and \$161,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Cabinet/Function: Labor

Agency: Labor Cabinet

Appropriation Unit: Workers Claims

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (9250001) Lease-Franklin County

Total

TOTAL

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Labor Cabinet

Cabinet/Function: Labor

Appropriation Unit: Ky Occupational Safety and Health Review Comm.

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	319,500	319,500		429,800	429,800		443,100	443,100	
Federal Funds	174,500	174,500							
Regular Total Funds	494,000	494,000		429,800	429,800		443,100	443,100	
General Fund Continuing									
GRAND TOTAL FUNDS	494,000	494,000		429,800	429,800		443,100	443,100	
II. EXPENDITURE CATEGORY									
Personnel Costs	449,500	449,500		381,100	381,100		398,300	398,300	
Operating Expenses	44,500	44,500		48,700	48,700		44,800	44,800	
TOTAL EXPENDITURES	494,000	494,000		429,800	429,800		443,100	443,100	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	319,500	319,500		428,100	426,700	(1,400)	442,900	438,700	(4,200)
Federal Funds	174,500	174,500							
Regular Total Funds	494,000	494,000		428,100	426,700	(1,400)	442,900	438,700	(4,200)
General Fund Continuing									
TOTAL BASE LEVEL	494,000	494,000		428,100	426,700	(1,400)	442,900	438,700	(4,200)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				1,700	3,100	1,400	200	4,400	4,200
TOTAL ADDITIONAL				1,700	3,100	1,400	200	4,400	4,200
V. ADDITIONAL BUDGET ITEMS									
1 NEW Wage Equity Plan									
(380KE0X01) Support salary improvement.									
Restricted Funds				1,700	3,100	1,400	200	4,400	4,200
Total				1,700	3,100	1,400	200	4,400	4,200
TOTAL ADDITIONAL				1,700	3,100	1,400	200	4,400	4,200

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Kentucky Occupational Safety and Health Review Commission

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$1,700 in FY 2000-2001 and \$200 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, Restricted Funds dollars are provided in the amount of \$3,100 in FY 2000-2001 and \$4,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Labor

Appropriation Unit: Workers' Compensation Funding Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	19,000,000	19,000,000		19,000,000	19,000,000		19,000,000	19,000,000	
Restricted Funds	152,337,500	152,337,500		135,164,000	135,957,600	793,600	135,220,600	136,075,500	854,900
Regular Total Funds	171,337,500	171,337,500		154,164,000	154,957,600	793,600	154,220,600	155,075,500	854,900
General Fund Continuing									
GRAND TOTAL FUNDS	171,337,500	171,337,500		154,164,000	154,957,600	793,600	154,220,600	155,075,500	854,900
II. EXPENDITURE CATEGORY									
Personnel Costs	1,352,800	1,352,800		1,354,200	1,354,200		1,545,100	1,545,100	
Operating Expenses	150,514,700	150,514,700		133,809,800	134,603,400	793,600	133,675,500	134,530,400	854,900
Grants, Loans, Benefits	19,000,000	19,000,000		19,000,000	19,000,000		19,000,000	19,000,000	
Construction	470,000	470,000							
TOTAL EXPENDITURES	171,337,500	171,337,500		154,164,000	154,957,600	793,600	154,220,600	155,075,500	854,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	19,000,000	19,000,000		19,000,000	19,000,000		19,000,000	19,000,000	
Restricted Funds	152,337,500	152,337,500		134,537,100	134,538,200	1,100	134,683,000	134,683,000	
Regular Total Funds	171,337,500	171,337,500		153,537,100	153,538,200	1,100	153,683,000	153,683,000	
General Fund Continuing									
TOTAL BASE LEVEL	171,337,500	171,337,500		153,537,100	153,538,200	1,100	153,683,000	153,683,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				626,900	1,419,400	792,500	537,600	1,392,500	854,900
TOTAL ADDITIONAL				626,900	1,419,400	792,500	537,600	1,392,500	854,900
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Labor Cabinet Information Technology								
(930RWAX01)	Provide funds for transfer to the General Administration and Support Division in the Labor Cabinet for operating costs relating to the Cabinet's information technology systems.								
Restricted Funds				625,800	625,800		537,600	537,600	
Total				625,800	625,800		537,600	537,600	
2 NEW	Funds Transfer								
(930RWAX02)	Transfer funds to Mines and Minerals for miner training and education.								
Restricted Funds					793,600	793,600		854,900	854,900
Total					793,600	793,600		854,900	854,900

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Labor

Appropriation Unit: Workers' Compensation Funding Commission

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
3 NEW	Wage Equity Plan									
(930RWAX03)	Support salary improvement.									
Restricted Funds					1,100		(1,100)			
Total					1,100		(1,100)			
TOTAL ADDITIONAL					626,900	1,419,400	792,500	537,600	1,392,500	854,900

FB 2000-2002 BUDGET MODIFICATION REPORT

Kentucky Workers' Compensation Funding Commission

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional Restricted Funds support totaling \$625,800 in FY 2000-2001 and \$537,600 in FY 2001-2002 is provided for transfer to the General Administration and Support Division in the Labor Cabinet for operating costs related to the Cabinet's information technology systems.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$1,100 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, includes language that directs, notwithstanding KRS 342.122, the Kentucky Workers' Compensation Funding Commission is authorized to finance a portion of the Mines and Minerals budget through Special Fund assessments. Funds equaling a fifteen percent (15%) share of the Labor Cabinet's office of Safety and Health Education Training shall be transferred in both fiscal years from the Special Fund to Mines and Minerals.

Restricted Funds support totaling \$793,600 in FY 2000-2001 and \$854,900 in FY 2001-2002 is provided for transfer to the Department of Mines and Minerals for miner training and education.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. Funds for wage equity will be generated from existing resources in FY 2000-2001 and FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly amends, Part I, Operating Budget, language that directs, notwithstanding KRS 342.122, the Workers' Compensation Funding Commission will finance a portion of the Mines and Minerals budget through Special Fund Assessments. Funds in the amounts of \$793,600 in fiscal year 2000-2001 and \$854,900 in fiscal year 2001-2002 shall be transferred to Mines and Minerals.

Additional Restricted Funds support totaling \$793,600 in FY 2000-2001 and \$854,900 in FY 2001-2002 are provided for transfer to the Department of Mines and Minerals for Miner Training

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**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

**NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION**

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Natural Resources and Environmental Protection

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration and Support	9,279,700	9,488,300	9,365,300	(123,000)	9,705,600	9,655,800	(49,800)
Environmental Protection	22,073,200	23,591,100	23,730,500	139,400	24,245,900	24,530,100	284,200
Natural Resources	15,219,600	14,335,700	14,592,800	257,100	15,660,800	15,741,400	80,600
Surface Mining Reclamation and Enforcement	10,045,200	10,263,500	10,263,500		10,669,600	10,754,800	85,200
Kentucky River Authority	369,000	377,900	377,900		387,000	543,000	156,000
Environmental Quality Commission	249,800	267,700	267,000	(700)	264,900	258,200	(6,700)
Kentucky Nature Preserves Commission	786,300	956,100	918,500	(37,600)	978,300	931,700	(46,600)
Operating Budget Total	58,022,800	59,280,300	59,515,500	235,200	61,912,100	62,415,000	502,900

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT**

Cabinet/Function: Natural Resources and Environmental Protection

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration and Support	537,700	443,100	443,100		426,600	426,600	
Environmental Protection	23,847,100	20,834,300	20,834,300		21,391,100	21,391,100	
Natural Resources	6,015,800	5,198,000	5,198,000		5,215,100	5,215,100	
Surface Mining Reclamation and Enforcement	5,835,300	6,184,000	6,184,000		6,533,900	6,533,900	
Kentucky River Authority	1,289,500	1,345,600	1,345,600		1,579,900	1,579,900	
Environmental Quality Commission	2,000	6,600	6,600		1,000	1,000	
Kentucky Nature Preserves Commission	650,400	338,300	338,300		321,700	321,700	
Operating Budget Total	38,177,800	34,349,900	34,349,900		35,469,300	35,469,300	

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
FEDERAL FUNDS BY BUDGET UNIT**

Cabinet/Function: Natural Resources and Environmental Protection

	FY 1999-2000 Budget	FY 2000-2001		FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly
General Administration and Support	1,726,700	1,758,000	1,758,000		1,826,500	1,826,500
Environmental Protection	15,606,200	17,807,300	17,807,300		17,904,500	17,904,600
Natural Resources	2,751,500	4,032,900	4,032,900		3,768,600	3,768,600
Surface Mining Reclamation and Enforcement	15,804,100	16,245,500	16,245,500		16,719,600	16,719,600
Abandoned Mine Lands Reclamation Projects	22,000,000	22,000,000	22,000,000		22,000,000	22,000,000
Kentucky Nature Preserves Commission	40,000	25,000	25,000		25,000	25,000
Operating Budget Total	57,928,500	61,868,700	61,868,700		62,244,200	62,244,300
						100

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Natural Resources and Environmental Protection

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Administration and Support	11,544,100	11,689,400	11,566,400	(123,000)	11,958,700	11,908,900	(49,800)
Environmental Protection	61,526,500	62,232,700	62,372,100	139,400	63,541,500	63,825,800	284,300
Natural Resources	23,986,900	23,566,600	23,823,700	257,100	24,644,500	24,725,100	80,600
Surface Mining Reclamation and Enforcement	31,684,600	32,693,000	32,693,000		33,923,100	34,008,300	85,200
Abandoned Mine Lands Reclamation Projects	22,000,000	22,000,000	22,000,000		22,000,000	22,000,000	
Kentucky River Authority	1,658,500	1,723,500	1,723,500		1,966,900	2,122,900	156,000
Environmental Quality Commission	251,800	274,300	273,600	(700)	265,900	259,200	(6,700)
Kentucky Nature Preserves Commission	1,476,700	1,319,400	1,281,800	(37,600)	1,325,000	1,278,400	(46,600)
Operating Budget Total	154,129,100	155,498,900	155,734,100	235,200	159,625,600	160,128,600	503,000

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch**Agency: Function Summary****Cabinet/Function: Natural Resources and Environmental Protection****Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	57,328,000	58,022,800	694,800	59,280,300	59,515,500	235,200	61,912,100	62,415,000	502,900
Restricted Funds	38,177,800	38,177,800		34,349,900	34,349,900		35,469,300	35,469,300	
Federal Funds	57,928,500	57,928,500		61,868,700	61,868,700		62,244,200	62,244,300	100
Regular Total Funds	153,434,300	154,129,100	694,800	155,498,900	155,734,100	235,200	159,625,600	160,128,600	503,000
General Fund Continuing									
GRAND TOTAL FUNDS	153,434,300	154,129,100	694,800	155,498,900	155,734,100	235,200	159,625,600	160,128,600	503,000
II. EXPENDITURE CATEGORY									
Personnel Costs	93,642,900	94,018,500	375,600	94,717,000	94,437,200	(279,800)	98,637,700	98,494,700	(143,000)
Operating Expenses	15,130,200	15,449,400	319,200	16,630,800	17,045,800	415,000	16,691,900	17,106,900	415,000
Grants, Loans, Benefits	22,937,700	22,937,700		23,498,900	23,498,900		22,747,500	22,747,500	
Debt Service				203,000	203,000		1,317,000	1,473,000	156,000
Capital Outlay	4,723,500	4,723,500		3,449,200	3,549,200	100,000	3,231,500	3,306,500	75,000
Construction	17,000,000	17,000,000		17,000,000	17,000,000		17,000,000	17,000,000	
TOTAL EXPENDITURES	153,434,300	154,129,100	694,800	155,498,900	155,734,100	235,200	159,625,600	160,128,600	503,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	57,328,000	58,022,800	694,800	56,906,600	56,906,600		58,509,400	58,509,400	
Restricted Funds	38,177,800	38,177,800		31,821,100	32,098,300	277,200	32,447,400	32,576,800	129,400
Federal Funds	57,928,500	57,928,500		59,738,200	60,095,100	356,900	59,912,800	60,206,700	293,900
Regular Total Funds	153,434,300	154,129,100	694,800	148,465,900	149,100,000	634,100	150,869,600	151,292,900	423,300
General Fund Continuing									
TOTAL BASE LEVEL	153,434,300	154,129,100	694,800	148,465,900	149,100,000	634,100	150,869,600	151,292,900	423,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,373,700	2,608,900	235,200	3,402,700	3,905,600	502,900
Restricted Funds				2,528,800	2,251,600	(277,200)	3,021,900	2,892,500	(129,400)
Federal Funds				2,130,500	1,773,600	(356,900)	2,331,400	2,037,600	(293,800)
TOTAL ADDITIONAL				7,033,000	6,634,100	(398,900)	8,756,000	8,835,700	79,700

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Function Summary

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				7,760,000	10,030,000	2,270,000	7,760,000	7,760,000	
Bond Funds				7,604,000	9,104,000	1,500,000			
Investment Income				100,000	100,000		115,000	115,000	
Other Funds				300,000	300,000		300,000	300,000	
Emer. Repair & Maint.				390,000	390,000				
TOTAL CAPITAL				16,154,000	19,924,000	3,770,000	8,175,000	8,175,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch**Agency: Cabinet Summary****Cabinet/Function: Natural Resources and Environmental Protection****Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	55,922,900	56,617,700	694,800	57,678,600	57,952,100	273,500	60,281,900	60,682,100	400,200
Restricted Funds	36,235,900	36,235,900		32,659,400	32,659,400		33,566,700	33,566,700	
Federal Funds	57,888,500	57,888,500		61,843,700	61,843,700		62,219,200	62,219,300	100
Regular Total Funds	150,047,300	150,742,100	694,800	152,181,700	152,455,200	273,500	156,067,800	156,468,100	400,300
General Fund Continuing									
GRAND TOTAL FUNDS	150,047,300	150,742,100	694,800	152,181,700	152,455,200	273,500	156,067,800	156,468,100	400,300
II. EXPENDITURE CATEGORY									
Personnel Costs	91,591,500	91,967,100	375,600	92,658,700	92,417,200	(241,500)	96,478,800	96,389,100	(89,700)
Operating Expenses	14,641,200	14,960,400	319,200	16,091,000	16,506,000	415,000	16,222,200	16,637,200	415,000
Grants, Loans, Benefits	22,191,600	22,191,600		23,025,700	23,025,700		22,267,800	22,267,800	
Debt Service							911,000	911,000	
Capital Outlay	4,623,000	4,623,000		3,406,300	3,506,300	100,000	3,188,000	3,263,000	75,000
Construction	17,000,000	17,000,000		17,000,000	17,000,000		17,000,000	17,000,000	
TOTAL EXPENDITURES	150,047,300	150,742,100	694,800	152,181,700	152,455,200	273,500	156,067,800	156,468,100	400,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	55,922,900	56,617,700	694,800	55,343,200	55,343,200		56,932,500	56,932,500	
Restricted Funds	36,235,900	36,235,900		30,221,200	30,488,600	267,400	30,635,100	30,759,300	124,200
Federal Funds	57,888,500	57,888,500		59,713,200	60,070,100	356,900	59,887,800	60,181,700	293,900
Regular Total Funds	150,047,300	150,742,100	694,800	145,277,600	145,901,900	624,300	147,455,400	147,873,500	418,100
General Fund Continuing									
TOTAL BASE LEVEL	150,047,300	150,742,100	694,800	145,277,600	145,901,900	624,300	147,455,400	147,873,500	418,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,335,400	2,608,900	273,500	3,349,400	3,749,600	400,200
Restricted Funds				2,438,200	2,170,800	(267,400)	2,931,600	2,807,400	(124,200)
Federal Funds				2,130,500	1,773,600	(356,900)	2,331,400	2,037,600	(293,800)
TOTAL ADDITIONAL				6,904,100	6,553,300	(350,800)	8,612,400	8,594,600	(17,800)

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: General Administration and Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	9,279,700	9,279,700		9,488,300	9,365,300	(123,000)	9,705,600	9,655,800	(49,800)
Restricted Funds	537,700	537,700		443,100	443,100		426,600	426,600	
Federal Funds	1,726,700	1,726,700		1,758,000	1,758,000		1,826,500	1,826,500	
Regular Total Funds	11,544,100	11,544,100		11,689,400	11,566,400	(123,000)	11,958,700	11,908,900	(49,800)
General Fund Continuing									
GRAND TOTAL FUNDS	11,544,100	11,544,100		11,689,400	11,566,400	(123,000)	11,958,700	11,908,900	(49,800)
II. EXPENDITURE CATEGORY									
Personnel Costs	9,836,200	9,836,200		10,089,900	9,966,900	(123,000)	10,424,200	10,374,400	(49,800)
Operating Expenses	1,615,700	1,615,700		1,599,500	1,599,500		1,534,500	1,534,500	
Capital Outlay	92,200	92,200							
TOTAL EXPENDITURES	11,544,100	11,544,100		11,689,400	11,566,400	(123,000)	11,958,700	11,908,900	(49,800)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	9,279,700	9,279,700		9,365,300	9,365,300		9,640,400	9,640,400	
Restricted Funds	537,700	537,700		394,300	443,100	48,800	375,500	426,600	51,100
Federal Funds	1,726,700	1,726,700		1,758,000	1,758,000		1,826,500	1,826,500	
Regular Total Funds	11,544,100	11,544,100		11,517,600	11,566,400	48,800	11,842,400	11,893,500	51,100
General Fund Continuing									
TOTAL BASE LEVEL	11,544,100	11,544,100		11,517,600	11,566,400	48,800	11,842,400	11,893,500	51,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				123,000		(123,000)	65,200	15,400	(49,800)
Restricted Funds				48,800		(48,800)	51,100		(51,100)
TOTAL ADDITIONAL				171,800		(171,800)	116,300	15,400	(100,900)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(569AA0X03)	Provide funds to support salary improvement.								
General Fund				123,000		(123,000)	65,200	15,400	(49,800)
Restricted Funds				48,800		(48,800)	51,100		(51,100)
Total				171,800		(171,800)	116,300	15,400	(100,900)
TOTAL ADDITIONAL				171,800		(171,800)	116,300	15,400	(100,900)

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration and Support

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 by funding a limited number of vacancies existing on September 1, 1999, and by reducing General Fund dollars attributed to the EMPOWER Kentucky Simplified Administrative Services (SAS) Initiative. The General Fund budget is reduced by the EMPOWER Kentucky/SAS savings in the amount of \$4,100 in FY 2000-2001 and \$35,100 in FY 2001-2002. The recommended personnel complement for FY 2000-2001, displayed by office within the General Administration and Services budget unit for permanent full-time (PFT) positions, followed by the funded PFTs in parentheses, is: Office of the Secretary - 16 (16); Administrative Services - 40 (39); Administrative Hearings - 11 (11); Legal Services - 82 (77); Information Services - 20 (20); and Inspector General - 15 (15). The total PFT complement for FY 2000-2001 is 184 (178). The funded PFT complement for FY 1999-2000 is 185.

General Fund support for maintenance of current services which is included in the Base Level Budget totals \$248,300 in FY 2000-2001 and \$252,400 in FY 2001-2002 and includes personnel and operating support of \$191,300 in FY 2000-2001 and \$200,700 in FY 2001-2002 for 4 filled PFTs (1 each in Administrative Hearings and Information Services, and 2 in Inspector General) and 1 filled Interim Position in Information Services; replacement of computer equipment in the amount of \$50,000 in FY 2000-2001 and \$40,000 in FY 2001-2002, and aircraft rental amounts of \$7,000 in FY 2000-2001 and \$11,700 in FY 2001-2002.

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$123,000 in FY 2000-2001 and \$65,200 in FY 2001-2002, and Restricted Funds of \$48,800 in FY 2000-2001 and \$51,100 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, provides Investment Income of \$100,000 in FY 2000-2001 and \$115,00 in FY 2001-2002 to the Maintenance Pool for repairs and maintenance of Cabinet-owned facilities at 16 sites, and reauthorization and additional Restricted Funds of \$5,160,000 in each fiscal year to the Kentucky Heritage Land Conservation Fund.

The Natural Resources and Environmental Protection Cabinet requests as part of the Finance and Administration Cabinet's New Office Building project the consolidation of its 22 different leased Frankfort office spaces. Five of these leases located in the floodplain incur damage from flood events resulting in disruption of services, loss of staff productivity, and flood damage costs. The Branch Budget Bill, Part II, Capital Projects Budget, includes authorization for a project entitled "New Office Building - Alternative Construction".

The Branch Budget Bill, Part III, General Provisions, includes a language provision that directs to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records.

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration and Support

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to budget administration as follows: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the General Administration and Support budget unit for the purpose of employing essential positions, replacing or upgrading information technology equipment, and the replacement of vehicles. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$15,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: General Administration and Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				5,160,000	5,160,000		5,160,000	5,160,000	
Investment Income				100,000	100,000		115,000	115,000	
TOTAL CAPITAL				5,260,000	5,260,000		5,275,000	5,275,000	
II. CAPITAL PROJECTS									
1 (5690009) Maintenance Pool									
Investment Income				100,000	100,000		115,000	115,000	
Total				100,000	100,000		115,000	115,000	
2 (5690013) Kentucky Heritage Land Conservation Fund - Reauthorization									
Restricted Funds				5,160,000	5,160,000		5,160,000	5,160,000	
Total				5,160,000	5,160,000		5,160,000	5,160,000	
TOTAL				5,260,000	5,260,000		5,275,000	5,275,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Environmental Protection

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	22,073,200	22,073,200		23,591,100	23,730,500	139,400	24,245,900	24,530,100	284,200
Restricted Funds	23,847,100	23,847,100		20,834,300	20,834,300		21,391,100	21,391,100	
Federal Funds	15,606,200	15,606,200		17,807,300	17,807,300		17,904,500	17,904,600	100
Regular Total Funds	61,526,500	61,526,500		62,232,700	62,372,100	139,400	63,541,500	63,825,800	284,300
General Fund Continuing									
GRAND TOTAL FUNDS	61,526,500	61,526,500		62,232,700	62,372,100	139,400	63,541,500	63,825,800	284,300

II. EXPENDITURE CATEGORY

Personnel Costs	43,006,400	43,006,400		43,859,700	43,884,100	24,400	45,398,400	45,592,700	194,300
Operating Expenses	7,364,400	7,364,400		8,362,000	8,377,000	15,000	8,761,500	8,776,500	15,000
Grants, Loans, Benefits	6,076,700	6,076,700		6,026,400	6,026,400		5,347,900	5,347,900	
Debt Service							206,000	206,000	
Capital Outlay	2,979,000	2,979,000		1,884,600	1,984,600	100,000	1,727,700	1,802,700	75,000
Construction	2,100,000	2,100,000		2,100,000	2,100,000		2,100,000	2,100,000	
TOTAL EXPENDITURES	61,526,500	61,526,500		62,232,700	62,372,100	139,400	63,541,500	63,825,800	284,300

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	22,073,200	22,073,200		22,008,900	22,008,900		22,677,900	22,677,900	
Restricted Funds	23,847,100	23,847,100		18,734,300	18,734,300		18,614,600	18,614,600	
Federal Funds	15,606,200	15,606,200		15,676,800	16,033,700	356,900	15,573,100	15,867,000	293,900
Regular Total Funds	61,526,500	61,526,500		56,420,000	56,776,900	356,900	56,865,600	57,159,500	293,900
General Fund Continuing									
TOTAL BASE LEVEL	61,526,500	61,526,500		56,420,000	56,776,900	356,900	56,865,600	57,159,500	293,900

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				1,582,200	1,721,600	139,400	1,568,000	1,852,200	284,200
Restricted Funds				2,100,000	2,100,000		2,776,500	2,776,500	
Federal Funds				2,130,500	1,773,600	(356,900)	2,331,400	2,037,600	(293,800)
TOTAL ADDITIONAL				5,812,700	5,595,200	(217,500)	6,675,900	6,666,300	(9,600)

V. ADDITIONAL BUDGET ITEMS

1 MTCE Waste Management - Hazardous Waste Assessments

(590BB0X02) Provide funds to finance cleanups of emergency spills of hazardous waste, and for remediation of state sites & Superfund sites; includes 13 PFT.

Restricted Funds	2,100,000	2,100,000	2,776,500	2,776,500
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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Environmental Protection

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
1 MTCE	Waste Management - Hazardous Waste Assessments									
(590BB0X02)	Provide funds to finance cleanups of emergency spills of hazardous waste, and for remediation of state sites & Superfund sites; includes 13 PFT.									
Federal Funds								291,800	291,800	
Total					2,100,000	2,100,000		3,068,300	3,068,300	
2 EXPAN	Department wide - EMPOWER KY Initiative (Simplified Regulatory Services)									
(590BA0X02)	Provide funds to purchase hardware and software required to run the electronic permitting systems reengineered by the Simplified Regulatory Services EMPOWER KY initiative, and for technical and maintenance support .									
General Fund					1,348,400	1,348,400		1,306,200	1,306,200	
Total					1,348,400	1,348,400		1,306,200	1,306,200	
3 EXPAN	Water - Clean Water Action Plan									
(590BA0X03)	Provide funds to implement the 1998 National Clean Water Action Plan to improve the quality of the Commonwealth's water resources. The funding supports personnel and operating costs for 4 PFT and the purchase of a vehicle.									
Federal Funds					1,708,400	1,708,400		1,708,400	1,708,400	
Total					1,708,400	1,708,400		1,708,400	1,708,400	
4 EXPAN	Water - Nonpoint Source Field Staff									
(590BA0X04)	Provide funds for personnel and operating support for 1 PFT and purchase necessary equipment to provide technical assistance in support of the water quality best management practices under the Kentucky Forest Conservation Act.									
Federal Funds					65,200	65,200		37,400	37,400	
Total					65,200	65,200		37,400	37,400	
5 EXPAN	Water - State-Owned Dam Repair - Debt Service									
(590BA0X07)	Provide debt service funds to support Bond Funds totaling \$2,000,000 in FY 2000-2001 for repair of state-owned dams.									
General Fund								206,000	206,000	
Total								206,000	206,000	
6 NEW	Wage Equity Plan									
(590BA0X06)	Provide funds to support salary improvements.									
General Fund					233,800	73,200	(160,600)	55,800	40,000	(15,800)
Federal Funds					356,900		(356,900)	293,800		(293,800)
Total					590,700	73,200	(517,500)	349,600	40,000	(309,600)

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Environmental Protection

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
7 EXPFFR	Waste Management - Litter Control Initiatives									
(590GA01)	Provide funds for personnel, operating, and capital expenses to continue the statewide effort to halt illegal dumping.									
General Fund						300,000	300,000		300,000	300,000
Total						300,000	300,000		300,000	300,000
TOTAL ADDITIONAL					5,812,700	5,595,200	(217,500)	6,675,900	6,666,300	(9,600)

FB 2000-2002 BUDGET MODIFICATION REPORT

Environmental Protection

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 by funding a limited number of vacancies existing on September 1, 1999, and by reducing General Fund dollars attributed to the EMPOWER Kentucky Simplified Administrative Services (SAS) Initiative. The General Fund support is reduced by the EMPOWER Kentucky/SAS savings in the amount of \$21,200 in FY 2000-2001 and \$85,500 in FY 2001-2002. The recommended personnel complement for FY 2000-2001, displayed by division for permanent full-time (PFT) positions, followed by the funded PFTs in parentheses, is: Commissioner's Office - 24 (24); Water - 300 (295); Air Quality - 178 (176); Waste Management - 238 (234); Maxey Flats - 6 (6); and Environmental Services - 47 (47). The total PFT complement for FY 2000-2001 is 793 (782), including 5 federally-funded positions in the Division of Water associated with new grants. The funded PFT complement for FY 1999-2000 is 789.

General Fund support for maintenance of current services which is included in the Base Level Budget totals \$103,000 in FY 2000-2001 and \$207,100 in FY 2001-2002 and includes personnel and operating support \$84,100 in FY 2001-2002 for 1 filled PFT in the Commissioner's Office and 1 filled Interim Position in Waste Management and replacement of computer equipment in the amount of \$20,000 in FY 2001-2002; and replacement vehicles in Waste Management in the amount of \$103,000 in each fiscal year.

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$233,800 in FY 2000-2001 and \$55,800 in FY 2001-2002 and Federal Funds of \$356,900 in FY 2000-2001 and \$293,800 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

Additional Restricted Funds totaling \$2,100,000 in FY 2000-2001 and \$2,776,500 in FY 2001-2002 from Hazardous Waste Assessments are recommended, contingent upon passage of enabling legislation by the 2000 General Assembly, for the Hazardous Waste Assessment programs. The statutory authorization under KRS 224.46-580 to collect these moneys from the generators of hazardous waste expires June 30, 2000. Also included for the purpose of the Hazardous Waste Assessment programs are Federal Funds of \$291,800 in FY 2001-2002 that are available contingent upon state dollars being appropriated.

Additional General Fund amounts totaling \$1,348,400 in FY 2000-2001 and \$1,306,200 in FY 2001-2002 are provided to complete implementation of the electronic permitting system, an EMPOWER Kentucky initiative for Simplified Regulatory Services.

Additional Federal Funds totaling \$1,708,400 in each fiscal year are recommended to implement the 1998 National Clean Water Action Plan to improve the quality of the Commonwealth's water resources. Included are grant funds of \$1,523,100 in FY 2000-2001 and \$1,544,500 in FY 2001-2002 to provide technical assistance and administration of projects in the following five large watersheds: the Herrington Lake - Dix Dam project in the Kentucky River Watershed; the Upper Cumberland River Watershed; the Little River project in the Lower Cumberland River Watershed; the Fleming Creek project in the Licking River Watershed; and the Rock Creek project in the South Fork Cumberland River Watershed. These projects were selected to demonstrate diverse nonpoint source pollution mitigation strategies addressing acid mine drainage in abandoned mine land areas, straight pipe discharges, and agricultural run-off. Four new PFTs are included to administer the program.

Also recommended are additional Federal Funds totaling \$65,200 in FY 2000-2001 and \$37,400 in FY 2001-2002 for personnel and operating costs of 1 PFT and to purchase a vehicle to provide technical assistance in support of the water quality provisions of the 1998 Kentucky Forest Conservation Act.

FB 2000-2002 BUDGET MODIFICATION REPORT

Environmental Protection

Included is \$75,000 each fiscal year from the General Fund Base Level Budget to continue the Commonwealth Cleanup Week program as established by the 1998 General Assembly in HJR 121.

Restricted Funds of \$8,193,100 in FY 2000-2001 and \$8,571,700 in FY 2001-2002, generated by the Air Emissions Fee, are budgeted to be no higher than the federal presumptive minimum level to retain the delegated program under Title V of the 1990 Clean Air Act Amendments. Federal law requires that an emission fee be collected from facilities which generate certain air pollutants to support Title V programs. Kentucky does not charge any air permit fees. The actual billing rate will be based on the actual tonnage of emissions and the number of generators calculated from the Air Emissions Inventory. Sources emitting no more than 25 tons of emissions per year are charged an annual \$150 fee. No authorization is provided for continuation of the Clean Air Task Force as established by the 1992 General Assembly.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs notwithstanding KRS 224.43-320, no funds are provided in the appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

Additional General Fund support is provided for debt service for the State-Owned Dam Repair Program in the amount of \$206,000 in FY 2001-2002 to support Bond Funds totaling \$2,000,000. The Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision that directs that the sale of any permanent bonds to finance this project shall occur after January 1, 2001.

The Branch Budget Bill, Part II, Capital Projects Budget, includes the following projects: new Bond Funds totaling \$2,000,000 in FY 2000-2001 and reauthorization of existing funding for the State-Owned Dam Repair Program; support from the Emergency, Repair, Maintenance and Replacement Fund of \$390,000 in FY 2000-2001 to replace Maxey Flats facilities pursuant to the 1998 Federal Court Consent Decree relating to the Commonwealth's duty to monitor and manage the site; Restricted Funds totaling \$2,100,000 each fiscal year contingent upon passage of enabling legislation and reauthorization of the Hazardous Waste Management Fund; and Restricted Funds from the Petroleum Storage Tank Assurance Fund of \$500,000 each fiscal year and reauthorization for the State-Funded Underground Storage Tanks Program.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes two leases of real property in Franklin County (Ash Properties and Air Quality) each with a cost that exceeds \$200,000 per year. The leased space housing the Commissioner's Office, the Division of Water, and the Division of Waste Management is subject to flooding, causing disruption of services, losses in staff productivity, and increased costs associated with flood damages.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to budget administration as follows: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the Environmental Protection budget unit for the purpose of employing essential positions, replacing or upgrading information technology equipment, and the replacement of vehicles. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

FB 2000-2002 BUDGET MODIFICATION REPORT

Environmental Protection

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$73,200 in FY 2000-2001 and \$40,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund dollars of \$300,000 each fiscal year are provided to support 8 PFT inspectors, operating, and capital expenses to expand statewide programs to control litter and halt illegal dumping and replace Federal Funds support for 3 existing personnel positions. Also provided is a Part III, General Provisions, language provision relating to the use of public or private funds contributed to state agencies for purposes of conducting statewide litter programs.

In Part IX, Special Provisions, language provisions are provided relating to b) Clean Air Task Force and quarterly reports and c) Hazardous Waste Assessments as follows: b) The Clean Air Task Force membership and reporting requirements established by the 1992 General Assembly shall be continued. The Task Force shall include representatives of the industry, the environmental community, and the Cabinet, and shall report quarterly to the Legislative Research Commission for referral to appropriate committees; and c) Notwithstanding KRS 224.46-580(7), hazardous waste assessments shall continue to be charged and collected in FB 2000-2002.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Environmental Protection

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				2,600,000	2,600,000		2,600,000	2,600,000	
Bond Funds				2,000,000	2,000,000				
Emer. Repair & Maint.				390,000	390,000				
TOTAL CAPITAL				4,990,000	4,990,000		2,600,000	2,600,000	
II. CAPITAL PROJECTS									
1 (5900004) State-Owned Dam Repair - Reauthorization									
Bond Funds				2,000,000	2,000,000				
Total				2,000,000	2,000,000				
2 (5900008) Maxey Flats Replacement Structures									
Emer. Repair & Maint.				390,000	390,000				
Total				390,000	390,000				
3 (5900006) Hazardous Waste Management Fund - Reauthorization									
Restricted Funds				2,100,000	2,100,000		2,100,000	2,100,000	
Total				2,100,000	2,100,000		2,100,000	2,100,000	
4 (5900005) State-Funded Leaking Underground Storage Tanks - Reauthorization									
Restricted Funds				500,000	500,000		500,000	500,000	
Total				500,000	500,000		500,000	500,000	
5 (5900009) Franklin County - Lease (Ash Properties)									
Total									
6 (5900010) Franklin County - Lease (Air Quality)									
Total									
TOTAL				4,990,000	4,990,000		2,600,000	2,600,000	

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Natural Resources

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,524,800	15,219,600	694,800	14,335,700	14,592,800	257,100	15,660,800	15,741,400	80,600
Restricted Funds	6,015,800	6,015,800		5,198,000	5,198,000		5,215,100	5,215,100	
Federal Funds	2,751,500	2,751,500		4,032,900	4,032,900		3,768,600	3,768,600	
Regular Total Funds	23,292,100	23,986,900	694,800	23,566,600	23,823,700	257,100	24,644,500	24,725,100	80,600
General Fund Continuing									
GRAND TOTAL FUNDS	23,292,100	23,986,900	694,800	23,566,600	23,823,700	257,100	24,644,500	24,725,100	80,600
II. EXPENDITURE CATEGORY									
Personnel Costs	12,310,400	12,686,000	375,600	11,587,700	11,444,800	(142,900)	12,510,500	12,191,100	(319,400)
Operating Expenses	2,500,600	2,819,800	319,200	2,567,300	2,967,300	400,000	2,133,600	2,533,600	400,000
Grants, Loans, Benefits	8,167,500	8,167,500		9,100,400	9,100,400		9,019,900	9,019,900	
Debt Service							705,000	705,000	
Capital Outlay	313,600	313,600		311,200	311,200		275,500	275,500	
TOTAL EXPENDITURES	23,292,100	23,986,900	694,800	23,566,600	23,823,700	257,100	24,644,500	24,725,100	80,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	14,524,800	15,219,600	694,800	14,114,000	14,114,000		14,494,000	14,494,000	
Restricted Funds	6,015,800	6,015,800		5,075,000	5,127,200	52,200	5,130,300	5,184,200	53,900
Federal Funds	2,751,500	2,751,500		4,032,900	4,032,900		3,768,600	3,768,600	
Regular Total Funds	23,292,100	23,986,900	694,800	23,221,900	23,274,100	52,200	23,392,900	23,446,800	53,900
General Fund Continuing									
TOTAL BASE LEVEL	23,292,100	23,986,900	694,800	23,221,900	23,274,100	52,200	23,392,900	23,446,800	53,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				221,700	478,800	257,100	1,166,800	1,247,400	80,600
Restricted Funds				123,000	70,800	(52,200)	84,800	30,900	(53,900)
TOTAL ADDITIONAL				344,700	549,600	204,900	1,251,600	1,278,300	26,700
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Commissioner's Office - KY Heritage Land Conservation Fund (Board Staff/Vehicles)								
(595CD0X02)	Provide funds from interest earned on the KY Heritage Land Conservation Fund to support personnel and operating expenses of 1 PFT staff to the Board, and to purchase a vehicle for field work.								
Restricted Funds				70,800	70,800		30,900	30,900	
Total				70,800	70,800		30,900	30,900	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Natural Resources

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Forestry - Field Radio System - Debt Service									
(595CEAX04)	Provide debt service funds to support Bond Funds totaling \$1,504,000 to finance the development of a statewide very high frequency (VHF) radio system for fire suppression activities.									
General Fund								289,000	289,000	
Total								289,000	289,000	
3 NEW	Commissioner's Office - Black Mountain Preservation Project - Debt Service									
(595CEAX05)	Provide debt service funds to support Bond Funds totaling \$4,100,000 to purchase timber and coal rights on Black Mountain. (This property acquisition does not include fee simple interest.)									
General Fund								416,000	416,000	
Total								416,000	416,000	
4 NEW	Wage Equity Plan									
(595CA0X05)	Provide funds to support salary improvement.									
General Fund					221,700	78,800	(142,900)	461,800	142,400	(319,400)
Restricted Funds					52,200		(52,200)	53,900		(53,900)
Total					273,900	78,800	(195,100)	515,700	142,400	(373,300)
5 MTCE	Forestry - Reforestation Programs - Operating Expenses									
(595GA01)	Provide funding for operating expenses related to continuation of reforestation programs.									
General Fund						400,000	400,000		400,000	400,000
Total						400,000	400,000		400,000	400,000
TOTAL ADDITIONAL					344,700	549,600	204,900	1,251,600	1,278,300	26,700

FB 2000-2002 BUDGET MODIFICATION REPORT

Natural Resources

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 by funding a limited number of vacancies existing on September 1, 1999, by reducing operating support, and by reducing General Fund dollars attributed to the EMPOWER Kentucky Simplified Administrative Services (SAS) Initiative. The General Fund support is reduced by the EMPOWER Kentucky/SAS savings in the amount of \$37,400 in FY 2000-2001 and \$91,800 in FY 2001-2002. The recommended personnel complement for FY 2000-2001, displayed by division for permanent full-time (PFT) positions, followed by the funded PFTs in parentheses, is: Commissioner's Office - 7 (7); Forestry - 244 (234); Conservation - 22 (22); and Energy - 10 (10). The total budgeted PFT complement for FY 2000-2001 is 283 (273), which includes 1 new PFT. The funded PFT complement for FY 1999-2000 is 282.

General Fund support for maintenance of current services which is included in the Base Level Budget totals \$526,900 in FY 2000-2001 and \$537,400 in FY 2001-2002 and includes personnel and operating support of \$211,400 in FY 2000-2001 and \$221,900 in FY 2001-2002 for 8 PFTs (1 filled position in the Commissioner's Office and 7 vacancies in Forestry); replacement of computer equipment in the amount of \$40,000 each fiscal year; and replacement of Forestry field vehicles totaling \$275,500 each fiscal year.

Included in FY 1999-2000 is the General Fund amount of \$858,500 to reimburse Forest Fire Suppression Costs associated with the 1999 Fire Season as Necessary Governmental Expenses. The Branch Budget Bill, Part I, Operating Budget, includes a language provision that provides \$240,000 in General Fund support each fiscal year for emergency forest fire suppression; costs in excess of this amount shall be deemed necessary governmental expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$221,700 in FY 2000-2001 and \$461,800 in FY 2001-2002 and Restricted Funds of \$52,200 in FY 2000-2001 and \$53,900 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

Additional Restricted Funds of \$70,800 in FY 2000-2001 and \$30,900 in FY 2001-2002 are provided to support personnel and operating costs for one PFT to staff the Kentucky Heritage Land Conservation Fund Board and to purchase a field vehicle.

Additional General Fund support for debt service amounts is recommended in FY 2001-2002 for two new bond projects: \$289,000 debt service to support Bond Funds totaling \$1,504,000 for the new Forestry very high frequency (VHF) radio system designed to increase safety for personnel engaged in fire fighting suppression activities, and \$416,000 debt service to support Bond Funds totaling \$4,100,000 for the Black Mountain Preservation Project. The Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision that directs that the sale of any permanent bonds to finance these projects shall occur after January 1, 2001.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to budget administration as follows: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the Natural Resources budget unit for the purpose of employing essential positions, replacing or upgrading information technology

FB 2000-2002 BUDGET MODIFICATION REPORT

Natural Resources

equipment, and the replacement of vehicles. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

General Fund dollars of \$694,000 in FY 1999-2000 are included to reimburse necessary governmental expenses for fire suppression activities related to the 1999 drought.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$78,800 in FY 2000-2001 and \$142,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund dollars of \$400,000 each fiscal year are provided to support expenses related to reforestation programs in the Division of Forestry.

The General Assembly provides Phase I Tobacco Settlement General Fund appropriations for all affected budget unit and activities in Part XI, Phase I Tobacco Settlement Funding Program, including \$9 million each fiscal year for the Department for Natural Resources, Division of Conservation, for the Environmental Stewardship Program for cost share activities.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Natural Resources

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE								
Bond Funds			5,604,000	5,604,000				
TOTAL CAPITAL			5,604,000	5,604,000				
II. CAPITAL PROJECTS								
1 (5950011) Black Mountain Preservation Project								
Bond Funds			4,100,000	4,100,000				
Total			4,100,000	4,100,000				
2 (5950001) Forestry Radio Equipment								
Bond Funds			1,504,000	1,504,000				
Total			1,504,000	1,504,000				
TOTAL			5,604,000	5,604,000				

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Surface Mining Reclamation and Enforcement

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,045,200	10,045,200		10,263,500	10,263,500		10,669,600	10,754,800	85,200
Restricted Funds	5,835,300	5,835,300		6,184,000	6,184,000		6,533,900	6,533,900	
Federal Funds	15,804,100	15,804,100		16,245,500	16,245,500		16,719,600	16,719,600	
Regular Total Funds	31,684,600	31,684,600		32,693,000	32,693,000		33,923,100	34,008,300	85,200
General Fund Continuing									
GRAND TOTAL FUNDS	31,684,600	31,684,600		32,693,000	32,693,000		33,923,100	34,008,300	85,200
II. EXPENDITURE CATEGORY									
Personnel Costs	25,938,500	25,938,500		26,621,400	26,621,400		27,645,700	27,730,900	85,200
Operating Expenses	3,160,500	3,160,500		3,562,200	3,562,200		3,792,600	3,792,600	
Grants, Loans, Benefits	1,347,400	1,347,400		1,298,900	1,298,900		1,300,000	1,300,000	
Capital Outlay	1,238,200	1,238,200		1,210,500	1,210,500		1,184,800	1,184,800	
TOTAL EXPENDITURES	31,684,600	31,684,600		32,693,000	32,693,000		33,923,100	34,008,300	85,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,045,200	10,045,200		9,855,000	9,855,000		10,120,200	10,120,200	
Restricted Funds	5,835,300	5,835,300		6,017,600	6,184,000	166,400	6,514,700	6,533,900	19,200
Federal Funds	15,804,100	15,804,100		16,245,500	16,245,500		16,719,600	16,719,600	
Regular Total Funds	31,684,600	31,684,600		32,118,100	32,284,500	166,400	33,354,500	33,373,700	19,200
General Fund Continuing									
TOTAL BASE LEVEL	31,684,600	31,684,600		32,118,100	32,284,500	166,400	33,354,500	33,373,700	19,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				408,500	408,500		549,400	634,600	85,200
Restricted Funds				166,400		(166,400)	19,200		(19,200)
TOTAL ADDITIONAL				574,900	408,500	(166,400)	568,600	634,600	66,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Permits - EMPOWER KY Initiative (Simplified Regulatory Services)								
(600FC0X02)	Provide funds to implement the electronic permitting system, an EMPOWER KY initiative to enhance customer service, by purchasing replacement hardware, software, and servers, and for operating costs. (Included for training is \$51,500/yr.)								
General Fund				408,500	408,500		549,400	549,400	
Total				408,500	408,500		549,400	549,400	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Surface Mining Reclamation and Enforcement

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN Wage Equity Plan									
(600FC0X03)	Provide funds to support salary improvement.									
General Fund								85,200		
Restricted Funds					166,400			19,200		
Total					166,400			19,200		
TOTAL ADDITIONAL					574,900			634,600		

FB 2000-2002 BUDGET MODIFICATION REPORT

Surface Mining Reclamation and Enforcement

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 by funding a limited number of vacancies existing on September 1, 1999, and by reducing General Fund dollars attributed to the EMPOWER Kentucky Simplified Administrative Services (SAS) Initiative. The General Fund support is reduced by the EMPOWER Kentucky/SAS savings in the amount of \$18,200 in FY 2000-2001 and \$98,700 in FY 2001-2002. The recommended personnel complement for FY 2000-2001, displayed by division for permanent full-time (PFT) positions, followed by the funded PFTs in parentheses, is: Commissioner's Office - 31 (31); Permits - 93 (88); Field Services - 207 (200); and Abandoned Mine Lands - 85 (85). The total PFT complement for FY 2000-2001 is 416 (404). The funded PFT complement for FY 1999-2000 is 416.

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds of \$166,400 in FY 2000-2001 and \$19,200 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

Additional General Fund support totaling \$408,500 in FY 2000-2001 and \$594,400 in FY 2001-2002 is provided to complete implementation of the electronic permitting system, an EMPOWER Kentucky initiative for Simplified Regulatory Services.

Surface coal mining permit and acreage fees are deposited into the General Fund and are expended for two purposes: to pay debt service on the University of Kentucky Mines and Minerals Building and to return 1/3 to the counties where the operation is located. Included in each fiscal year is \$675,000 from the General Fund for the transfer to eligible county fiscal courts for general expenditure purposes as provided in KRS 350.139. The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs that any required expenditure for this purpose in excess of \$675,000 is appropriated.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County (Hudson Hollow) with a cost that exceeds \$200,000 per year.

The Branch Budget Bill, Part IX, Special Provisions, includes two language provisions relating to (a) budget administration and (b) surface coal mining permits which read as follows: (a) If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the General Administration and Support budget unit, the Natural Resources budget unit, and the Environmental Protection budget unit for the purpose of employing essential positions, replacing or upgrading information technology equipment, and the replacement of vehicles. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.; and (b) The permit block provisions of KRS 350.085(6) shall apply both to surface coal mining and reclamation operations owned or controlled by the applicant, and those operations owning or controlling the applicant. The Cabinet shall continue in effect the current state regulations regarding ownership and control provided that a due process hearing shall be afforded at the time that the Cabinet makes a preliminary determination to impose a permit block.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

FB 2000-2002 BUDGET MODIFICATION REPORT

Surface Mining Reclamation and Enforcement

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$85,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The General Assembly revises the Part IX language provision relating to surface coal mining permits which now reads as follows: The permit block provisions of KRS 350.085(6) shall apply to either the applicant or any person who owns or controls the applicant who is currently in violation. The Cabinet shall continue in effect the current state regulations regarding ownership and control provided that a due process hearing shall be afforded at the time that the Cabinet makes a preliminary determination to impose a permit block.

The Cabinet shall conditionally issue a permit, permit renewal, or authorization to conduct surface coal mining and reclamation operations, if the Cabinet finds that a direct administrative or judicial appeal is presently being pursued, in good faith, to contest the validity of the determination of ownership and control linkage. The Cabinet shall conditionally issue permits where the applicant submits proof, including a settlement agreement, that the violation is being abated to the satisfaction of the issuing state or federal agency. Where the initial judicial appeal affirms the ownership or control linkage, the applicant shall have thirty (30) days to submit proof that the violation has been or is in the process of being corrected. Nothing herein shall preclude the applicant from seeking further judicial relief.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:

Cabinet/Function:

Executive Branch
Natural Resources and Environmental Protection

Agency:

Appropriation Unit:

Natural Resources and Environmental Protection
Surface Mining Reclamation and Enforcement

FY 1999-2000			FY 2000-2001			FY 2001-2002		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (6000001) Franklin County - Lease (Hudson Hollow)

Total

TOTAL

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Natural Resources and Environmental Protection

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Abandoned Mine Lands Reclamation Projects

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Federal Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
Regular Total Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
General Fund Continuing									
GRAND TOTAL FUNDS	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	500,000	500,000		500,000	500,000		500,000	500,000	
Grants, Loans, Benefits	6,600,000	6,600,000		6,600,000	6,600,000		6,600,000	6,600,000	
Construction	14,900,000	14,900,000		14,900,000	14,900,000		14,900,000	14,900,000	
TOTAL EXPENDITURES	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Federal Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
Regular Total Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
General Fund Continuing									
TOTAL BASE LEVEL	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Abandoned Land Mines Reclamation Projects

BRANCH BUDGET

The Branch Budget recommends funding for existing activities and programs in FB 2000-2002.

The Abandoned Mine Land Reclamation Projects Program, which is 100% federally-funded, was technically reclassified from the Capital Projects Budget to the Operating Budget in FY 1993-94 as a separate and distinct budget unit. The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs if additional funds become available, the funds are appropriated subject to the conditions and procedures of the Act.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Kentucky River Authority

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	369,000	369,000		377,900	377,900		387,000	543,000	156,000
Restricted Funds	1,289,500	1,289,500		1,345,600	1,345,600		1,579,900	1,579,900	
Regular Total Funds	1,658,500	1,658,500		1,723,500	1,723,500		1,966,900	2,122,900	156,000
General Fund Continuing									
GRAND TOTAL FUNDS	1,658,500	1,658,500		1,723,500	1,723,500		1,966,900	2,122,900	156,000
II. EXPENDITURE CATEGORY									
Personnel Costs	787,000	787,000		898,500	898,500		926,900	926,900	
Operating Expenses	199,600	199,600		220,800	220,800		225,800	225,800	
Grants, Loans, Benefits	616,900	616,900		379,800	379,800		386,200	386,200	
Debt Service				203,000	203,000		406,000	562,000	156,000
Capital Outlay	55,000	55,000		21,400	21,400		22,000	22,000	
TOTAL EXPENDITURES	1,658,500	1,658,500		1,723,500	1,723,500		1,966,900	2,122,900	156,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	369,000	369,000		377,900	377,900		387,000	387,000	
Restricted Funds	1,289,500	1,289,500		1,259,900	1,264,800	4,900	1,494,800	1,494,800	
Regular Total Funds	1,658,500	1,658,500		1,637,800	1,642,700	4,900	1,881,800	1,881,800	
General Fund Continuing									
TOTAL BASE LEVEL	1,658,500	1,658,500		1,637,800	1,642,700	4,900	1,881,800	1,881,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund								156,000	156,000
Restricted Funds				85,700	80,800	(4,900)	85,100	85,100	
TOTAL ADDITIONAL				85,700	80,800	(4,900)	85,100	241,100	156,000
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN	Operations - Additional Staff Support								
(083JA0X01)	Provide Restricted Funds to support personnel & operating expenses for 2 PFT to prepare water supply & drought response plans. (Tier I fees are levied on all water withdrawn from the KY River Basin & are projected to stay constant at 2.2 cents/1,000 gal.)								
Restricted Funds				80,800	80,800		85,100	85,100	
Total				80,800	80,800		85,100	85,100	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Kentucky River Authority

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Wage Equity Plan								
	(083JA0X04)	Provide funds to support salary improvement.								
Restricted Funds					4,900		(4,900)			
Total					4,900		(4,900)			
3	EXPAN	Kentucky River Water Storage Enhancements - Debt Service								
	(083GA01)	Provide debt service funds to support Bond Funds totaling \$1,500,000 to support project design and environmental analysis to modify Dam 10 and for geo-technical evaluation of Dam 9 to increase water storage.								
General Fund									156,000	156,000
Total									156,000	156,000
TOTAL ADDITIONAL					85,700	80,800	(4,900)	85,100	241,100	156,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Kentucky River Authority

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds of \$4,900 in FY 2000-2001 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

Additional Restricted Funds totaling \$80,800 in FY 2000-2001 and \$85,100 in FY 2001-2002 are recommended to support personnel and operating expenses for 2 permanent full-time positions (PFT) to prepare water supply and drought response plans.

Restricted Funds accrue from Tier I fees and Tier II fees assessed on water withdrawn from the Kentucky River Basin. Tier I fees are collected from entities which withdraw over 10,000 gallons/day for non-farm purposes from the River, its tributaries, and reservoirs; receipts are expended for general operating costs and to support the Authority's 4 staff. The Tier I rate is 2.2 cents/1,000 gallons. Tier II fees are assessed on water withdrawn from the main stem; receipts are expended for capital projects to increase the raw water supply. The Tier II rate is 1.6 cents/1,000 gallons.

Provided to continue the Locks and Dams Program are General Fund amounts of \$377,900 in FY 2000-2001 and \$387,000 in FY 2001-2002 for personnel, operating, and capital outlay support for 5 full-time lockmasters and 5 seasonal lockmasters for activities such as management and operations of Locks and Dams 5-14 (10 sites covering 175 acres and 167 river miles), locking and river navigation-related activities, and operating the Kentucky River Water Release System.

Restricted Funds debt service from Tier II fees are recommended for \$4,000,000 Bond Funds that are unissued bonds for the previously-authorized Kentucky River Water Release System and Lock 6 Repairs Project in the amounts of \$203,000 in FY 2000-2001 and \$406,000 in FY 2001-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, provides reauthorization of the following projects: Acquisition of Kentucky River Locks and Dams 5-14, Kentucky River Parks, and Kentucky River Water Release System and Lock 6 Repairs.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to water withdrawal fees as follows: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding that portion of the provision of KRS 151.710(10) that directs the Natural Resources and Environmental Protection Cabinet to provide administrative services for the Kentucky River Authority, Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Kentucky River Authority

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. Funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support in the amount of \$156,000 for debt service in FY 2001-2002 is provided in Part I, Operating Budget, to support Bond Funds totaling \$1,500,000 for Kentucky River Water Storage Enhancements. In addition to the Bond Funds previously identified, Restricted Funds of \$2,270,000 are provided in FY 2000-2001 for this project. The Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision that directs that the sale of any permanent bonds to finance this project shall occur after January 1, 2001.

The House adds to the Part IX, Special Provisions, language relating to water withdrawal fees as follows: The Kentucky River Authority shall continue the same rate level in FB 2000-2002 as is currently assessed in FB 1998-2000.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Kentucky River Authority

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds					2,270,000	2,270,000			
Bond Funds					1,500,000	1,500,000			
TOTAL CAPITAL					3,770,000	3,770,000			

II. CAPITAL PROJECTS

1 (0830012) **KY River Water Release System and Lock 6 Repairs- Reauthorization (\$4,000,000 - Agency Bonds)**

Total

2 (0831408) **KY River Water Storage Enhancements**

Restricted Funds

2,270,000

2,270,000

Bond Funds

1,500,000

1,500,000

Total

3,770,000

3,770,000

3 (0830011) **Kentucky River Parks - Reauthorization**

Total

4 (0830002) **Locks and Dams - Acquisition - Reauthorization**

Total

TOTAL					3,770,000	3,770,000			
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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Environmental Quality Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	249,800	249,800		267,700	267,000	(700)	264,900	258,200	(6,700)
Restricted Funds	2,000	2,000		6,600	6,600		1,000	1,000	
Regular Total Funds	251,800	251,800		274,300	273,600	(700)	265,900	259,200	(6,700)
General Fund Continuing									
GRAND TOTAL FUNDS	251,800	251,800		274,300	273,600	(700)	265,900	259,200	(6,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	197,800	197,800		205,500	204,800	(700)	221,900	215,200	(6,700)
Operating Expenses	54,000	54,000		68,800	68,800		44,000	44,000	
TOTAL EXPENDITURES	251,800	251,800		274,300	273,600	(700)	265,900	259,200	(6,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	249,800	249,800		267,000	267,000		258,200	258,200	
Restricted Funds	2,000	2,000		6,600	6,600		1,000	1,000	
Regular Total Funds	251,800	251,800		273,600	273,600		259,200	259,200	
General Fund Continuing									
TOTAL BASE LEVEL	251,800	251,800		273,600	273,600		259,200	259,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				700		(700)	6,700		(6,700)
TOTAL ADDITIONAL				700		(700)	6,700		(6,700)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(350DA0X04)	Provide funds to support salary improvement.								
General Fund				700		(700)	6,700		(6,700)
Total				700		(700)	6,700		(6,700)
TOTAL ADDITIONAL				700		(700)	6,700		(6,700)

FB 2000-2002 BUDGET MODIFICATION REPORT

Environmental Quality Commission

BRANCH BUDGET

The Branch Budget recommends reduced funding for current services and programs in FB 2000-2002. The budgeted permanent full-time personnel complement totals 4 positions.

General Fund support for maintenance of current services which is included in the Base Level Budget totals \$16,500 in FY 2000-2001 and \$2,000 in FY 2001-2002 to continue to print and distribute the State of Kentucky's Environment Report.

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$700 in FY 2000-2001 and \$6,700 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to administrative accountability as follows: The Environmental Quality Commission shall be attached to the Secretary's Office, but shall remain a separate budget unit. The Secretary, with the approval of the Commissioners of the Environmental Quality Commission, shall employ a director and other necessary Commission staff who shall serve at the pleasure of the Commission and the Secretary.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. Funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Kentucky Nature Preserves Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	786,300	786,300		956,100	918,500	(37,600)	978,300	931,700	(46,600)
Restricted Funds	650,400	650,400		338,300	338,300		321,700	321,700	
Federal Funds	40,000	40,000		25,000	25,000		25,000	25,000	
Regular Total Funds	1,476,700	1,476,700		1,319,400	1,281,800	(37,600)	1,325,000	1,278,400	(46,600)
General Fund Continuing									
GRAND TOTAL FUNDS	1,476,700	1,476,700		1,319,400	1,281,800	(37,600)	1,325,000	1,278,400	(46,600)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,066,600	1,066,600		954,300	916,700	(37,600)	1,010,100	963,500	(46,600)
Operating Expenses	235,400	235,400		250,200	250,200		199,900	199,900	
Grants, Loans, Benefits	129,200	129,200		93,400	93,400		93,500	93,500	
Capital Outlay	45,500	45,500		21,500	21,500		21,500	21,500	
TOTAL EXPENDITURES	1,476,700	1,476,700		1,319,400	1,281,800	(37,600)	1,325,000	1,278,400	(46,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	786,300	786,300		918,500	918,500		931,700	931,700	
Restricted Funds	650,400	650,400		333,400	338,300	4,900	316,500	321,700	5,200
Federal Funds	40,000	40,000		25,000	25,000		25,000	25,000	
Regular Total Funds	1,476,700	1,476,700		1,276,900	1,281,800	4,900	1,273,200	1,278,400	5,200
General Fund Continuing									
TOTAL BASE LEVEL	1,476,700	1,476,700		1,276,900	1,281,800	4,900	1,273,200	1,278,400	5,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				37,600		(37,600)	46,600		(46,600)
Restricted Funds				4,900		(4,900)	5,200		(5,200)
TOTAL ADDITIONAL				42,500		(42,500)	51,800		(51,800)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(375EA0X03)	Provide funds to support salary improvement.								
General Fund				37,600		(37,600)	46,600		(46,600)
Restricted Funds				4,900		(4,900)	5,200		(5,200)
Total				42,500		(42,500)	51,800		(51,800)
TOTAL ADDITIONAL				42,500		(42,500)	51,800		(51,800)

FB 2000-2002 BUDGET MODIFICATION REPORT

Nature Preserves Commission

BRANCH BUDGET

The Branch Budget recommends reduced funding for current services and programs in FB 2000-2002 by not funding filled positions and vacancies existing on September 1, 1999, and operating expenses identified in the Maintenance and Replacement of Restricted Funds Requests. The recommended personnel authorization is for 23 permanent full-time positions of which 21 are budgeted. Also, the entire complement of six Interim Positions is authorized but no moneys are budgeted for this purpose.

Maintenance Budget Request Items recommended in the Base Level General Fund Budget total \$128,200 in FY 2000-2001 and \$123,200 in FY 2002-2002 and provide personnel and operating support of \$96,700 in FY 2000-2001 and \$101,700 in FY 2001-2002 for 2 filled PFT, and \$10,000 in FY 2000-2001 for computer replacements.

Replacement of Restricted Funds Budget Request Items recommended in the Base Level General Fund Budget total \$21,500 each fiscal year for one replacement vehicle each fiscal year for the Stewardship programs.

The Branch Budget recommends Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$37,600 in FY 2000-2001 and \$46,600 in FY 2001-2002 and Restricted Funds of \$4,900 in FY 2000-2001 and \$5,200 in FY 2001-2002 is budgeted to provide a guaranteed cost-of-living adjustment (COLA) salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to a proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassification to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, provides reauthorization of the Nature Preserves Acquisition Fund and additional funding in each fiscal year of \$300,000 of privately raised moneys identified as Other Funds.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. Funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency:

Cabinet/Function: Natural Resources and Environmental Protection

Appropriation Unit: Kentucky Nature Preserves Commission

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch	General	Difference	Branch	General	Difference	Branch	General	Difference
	Budget	Assembly		Budget	Assembly		Budget	Assembly	
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Other Funds				300,000	300,000		300,000	300,000	
TOTAL CAPITAL				300,000	300,000		300,000	300,000	
II. CAPITAL PROJECTS									
1 (3750007) Nature Preserves Acquisition Fund - Reauthorization									
Other Funds				300,000	300,000		300,000	300,000	
Total				300,000	300,000		300,000	300,000	
TOTAL				300,000	300,000		300,000	300,000	

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**FB 2000-2002 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

PERSONNEL

JUNE 7, 2000

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
GENERAL FUND BY BUDGET UNIT

Cabinet/Function: Personnel

	FY 1999-2000 Budget	FY 2000-2001			FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly	Difference
General Operations	10,297,100	3,438,300	3,430,600	(7,700)	3,517,300	3,920,200	402,900

Note: FY 1999-2000 Budget includes any supplemental appropriations, as provided by the 2000 General Assembly.

**FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
RESTRICTED FUNDS BY BUDGET UNIT**

Cabinet/Function: Personnel

	FY 1999-2000 Budget	FY 2000-2001		FY 2001-2002		
		Branch	General Assembly	Difference	Branch	General Assembly
General Operations	11,841,000	10,293,100	10,293,100		10,386,000	10,386,000
Public Employees Deferred Compensation Authority	3,992,500	4,915,600	4,915,600		5,740,700	5,740,700
Workers' Compensation Benefits and Reserve	17,666,000	15,382,700	15,382,700		15,901,500	15,901,500
Operating Budget Total	33,499,500	30,591,400	30,591,400		32,028,200	32,028,200

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
TOTAL FUNDS BY BUDGET UNIT

Cabinet/Function: Personnel

	FY 2000-2001			FY 2001-2002		
	FY 1999-2000 Budget	Branch	General Assembly	Difference	Branch	General Assembly
General Operations	22,138,100	13,731,400	13,723,700	(7,700)	13,903,300	14,306,200
Public Employees Deferred Compensation Authority	3,992,500	4,915,600	4,915,600		5,740,700	5,740,700
Workers' Compensation Benefits and Reserve	17,666,000	15,382,700	15,382,700		15,901,500	15,901,500
Operating Budget Total	43,796,600	34,029,700	34,022,000	(7,700)	35,545,500	35,948,400

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FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Personnel

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	7,000,000	7,000,000							
General Fund	3,297,100	3,297,100		3,438,300	3,430,600	(7,700)	3,517,300	3,920,200	402,900
Restricted Funds	33,499,500	33,499,500		30,591,400	30,591,400		32,028,200	32,028,200	
Regular Total Funds	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900
General Fund Continuing									
GRAND TOTAL FUNDS	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900
II. EXPENDITURE CATEGORY									
Personnel Costs	40,090,100	40,090,100		29,262,900	29,255,200	(7,700)	31,104,200	31,118,100	13,900
Operating Expenses	3,706,500	3,706,500		4,500,800	4,500,800		4,291,100	4,291,100	
Debt Service								389,000	389,000
Capital Outlay				266,000	266,000		150,200	150,200	
TOTAL EXPENDITURES	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,297,100	3,297,100		3,294,000	3,294,000		3,371,100	3,371,100	
Restricted Funds	29,499,500	29,499,500		30,132,200	30,144,800	12,600	31,536,000	31,536,000	
Regular Total Funds	32,796,600	32,796,600		33,426,200	33,438,800	12,600	34,907,100	34,907,100	
General Fund Continuing									
TOTAL BASE LEVEL	32,796,600	32,796,600		33,426,200	33,438,800	12,600	34,907,100	34,907,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund Special	7,000,000	7,000,000							
General Fund				144,300	136,600	(7,700)	146,200	549,100	402,900
Restricted Funds	4,000,000	4,000,000		459,200	446,600	(12,600)	492,200	492,200	
TOTAL ADDITIONAL	11,000,000	11,000,000		603,500	583,200	(20,300)	638,400	1,041,300	402,900

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:	Executive Branch	Agency: Summary									
Cabinet/Function:	Personnel	Appropriation Unit:									
FY 1999-2000			FY 2000-2001			FY 2001-2002					
Branch	General	Difference	Branch	General	Difference	Branch	General	Difference			
Budget	Assembly		Budget	Assembly		Budget	Assembly				
I. CAPITAL PROJECT RECAP BY FUND SOURCE											
General Fund			2,000,000			(2,000,000)					
Bond Funds						2,000,000					
TOTAL CAPITAL			2,000,000			2,000,000					

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund Special	7,000,000	7,000,000							
General Fund	3,297,100	3,297,100		3,438,300	3,430,600	(7,700)	3,517,300	3,920,200	402,900
Restricted Funds	33,499,500	33,499,500		30,591,400	30,591,400		32,028,200	32,028,200	
Regular Total Funds	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900
General Fund Continuing									
GRAND TOTAL FUNDS	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900

II. EXPENDITURE CATEGORY

Personnel Costs	40,090,100	40,090,100		29,262,900	29,255,200	(7,700)	31,104,200	31,118,100	13,900
Operating Expenses	3,706,500	3,706,500		4,500,800	4,500,800		4,291,100	4,291,100	
Debt Service								389,000	389,000
Capital Outlay				266,000	266,000		150,200	150,200	
TOTAL EXPENDITURES	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	3,297,100	3,297,100		3,294,000	3,294,000		3,371,100	3,371,100	
Restricted Funds	29,499,500	29,499,500		30,132,200	30,144,800	12,600	31,536,000	31,536,000	
Regular Total Funds	32,796,600	32,796,600		33,426,200	33,438,800	12,600	34,907,100	34,907,100	
General Fund Continuing									
TOTAL BASE LEVEL	32,796,600	32,796,600		33,426,200	33,438,800	12,600	34,907,100	34,907,100	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund Special	7,000,000	7,000,000							
General Fund				144,300	136,600	(7,700)	146,200	549,100	402,900
Restricted Funds	4,000,000	4,000,000		459,200	446,600	(12,600)	492,200	492,200	
TOTAL ADDITIONAL	11,000,000	11,000,000		603,500	583,200	(20,300)	638,400	1,041,300	402,900

V. ADDITIONAL BUDGET ITEMS

1 NEW Mediation Branch-Additional Staff Positions

(C47EC0X01) Provide funds to support 4 full-time positions and associated operating costs

Restricted Funds	163,400	163,400		160,800	160,800	
Total	163,400	163,400		160,800	160,800	

2 EXPAN Imaging System "Jukebox"-Hardware and Software

(C47FE0X01) Provide funds to support the acquisition of an optical jukebox and associated operating costs to store employee records.

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Imaging System "Jukebox"-Hardware and Software								
	(C47FE0X01)	Provide funds to support the acquisition of an optical jukebox and associated operating costs to store employee records.								
Restricted Funds					91,800	91,800		8,400	8,400	
Total					91,800	91,800		8,400	8,400	
3	NEWMAN	Personnel Board Elections								
	(C47FB0X01)	Provide support for Personnel Board elections pursuant to KRS 18A.0551.								
Restricted Funds								31,800	31,800	
Total								31,800	31,800	
4	EXPAN	Deferred Compensation Growth- Additional Staff Positions								
	(C47BA0X01)	Provide funds to 4 new full-time positions in FY 2000-2001 and 3 additional new full-time positions in FY 2001-2002, and increased operating costs.								
Restricted Funds					131,800	131,800		215,800	215,800	
Total					131,800	131,800		215,800	215,800	
5	MTCE	State Employee Health Insurance-Current Year Appropriation								
	(C47EBCX01)	Provide funds for increased costs of providing single Option "A" health insurance coverage to eligible members in calendar year 2000; and added costs to insurers up to 125% of premium costs in calendar year 1999 per agreement with Anthem.								
General Fund		7,000,000	7,000,000							
Restricted Funds		4,000,000	4,000,000							
Total		11,000,000	11,000,000							
6	NEW	Wage Equity Plan								
	(C47AA0X01)	Provide funds to support salary improvements.								
General Fund					44,300	36,600	(7,700)	46,200	60,100	13,900
Restricted Funds					72,200	59,600	(12,600)	75,400	75,400	
Total					116,500	96,200	(20,300)	121,600	135,500	13,900
7	EXPAN	Computer Service Costs-Wage Equity								
	(C47FC0X01)	Provide funds to support anticipated increase in computer costs due to the Personnel Cabinet's responsibility in the Wage Equity Plan.								
General Fund					100,000	100,000		100,000	100,000	
Total					100,000	100,000		100,000	100,000	

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
V. ADDITIONAL BUDGET ITEMS									
8 NEW	Debt Service								
(C47AGA01)	Provide debt service to support Bond Funds totaling \$2,000,000 in FY 2000-2001 to replace the existing personnel payroll system and acquire hardware and software to allow on-line access to personnel records.								
General Fund								389,000	389,000
Total								389,000	389,000
TOTAL ADDITIONAL	11,000,000	11,000,000		603,500	583,200	(20,300)	638,400	1,041,300	402,900

VI. EXPENDITURES BY UNIT

General Operations									
General Fund	10,297,100	10,297,100		3,438,300	3,430,600	(7,700)	3,517,300	3,920,200	402,900
Restricted Funds	11,841,000	11,841,000		10,293,100	10,293,100		10,386,000	10,386,000	
Public Employees Deferred Compensation Authority									
Restricted Funds	3,992,500	3,992,500		4,915,600	4,915,600		5,740,700	5,740,700	
Workers' Compensation Benefits and Reserve									
Restricted Funds	17,666,000	17,666,000		15,382,700	15,382,700		15,901,500	15,901,500	
TOTAL	43,796,600	43,796,600		34,029,700	34,022,000	(7,700)	35,545,500	35,948,400	402,900

FB 2000-2002 BUDGET MODIFICATION REPORT

Personnel Cabinet

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support is provided in FY 1999-2000 in the amount of \$7,000,000 to support the additional costs of providing single Option "A" health insurance coverage for all eligible members of the state group in 22 counties where the state contribution of \$214 (per contract per month) in calendar year 2000 is not sufficient. These moneys are built in to the Base Level Budget in each fiscal year of the next biennium. The state contribution is budgeted at \$242.00 (per contract per month) in calendar year 2001 and \$264 (per contract per month) in calendar year 2002.

Additional Restricted Funds totaling \$4,000,000 are also provided in FY 1999-2000 to pay for any losses up to 125 percent of the premium costs for providing coverage to members of the state group in 17 Western Kentucky counties where coverage was not offered by other health insurance carriers in calendar year 1999. These Restricted Funds support the Commonwealth's agreement with Anthem and represent the projected cost of this agreement.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$44,300 in FY 2000-2001 and \$46,200 in FY 2001-2002 and additional Restricted Funds support totaling \$72,200 in FY 2000-2001 and \$75,400 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional General Fund moneys totaling \$100,000 in each fiscal year of FB 2000-2002 are budgeted to meet the projected increase costs in computer services for the Personnel Cabinet's responsibilities in the administering of the Wage Equity Plan.

Additional Restricted Funds are provided in the amount of \$91,800 in FY 2000-2001 and \$8,400 in FY 2001-2002 for the purchase of an imaging "jukebox" system. This system will allow the Personnel Cabinet to maintain employee records. Also, additional Restricted Funds totaling \$163,400 in FY 2000-2001 and \$160,800 in FY 2001-2002 to establish a Mediation Branch. Included in the costs of the Mediation Branch are four new full time positions and related operating costs. The purpose of the Mediation Branch is to provide dispute resolution assistance to state employees and agency managers to foster an improved work relationships.

Restricted Funds are provided in the amount of \$131,800 in FY 2000-2001 and \$215,800 in FY 2001-2002 support the expansion investment counselor services in the Public Employees Deferred Compensation Authority. Four additional full-time positions are funded in FY 2000-2001 and an additional three new full-time positions are funded in FY 2001-2002. Additional Restricted Funds are also provided in FY 2001-2002 in the amount of \$31,800 to support the management of Personnel Board elections.

FB 2000-2002 BUDGET MODIFICATION REPORT

Personnel Cabinet

Following is the Branch Budget by Expenditure Unit:

<u>Expenditure Unit</u>	<u>Request</u>	<u>FY 1999-2000 Recommended</u>	<u>Difference</u>	<u>Request</u>	<u>FY 2000-2001 Recommended</u>	<u>Difference</u>	<u>Request</u>	<u>FY 2001-2002 Recommended</u>	<u>Differen</u>
General Operations									
General Fund	3,297,100	10,297,100	7,000,000	3,376,200	3,438,300	62,100	3,489,000	3,517,300	28,300
Restricted Funds	7,841,000	11,841,000	4,000,000	10,291,300	10,293,100	1,800	10,352,400	10,386,000	33,600
Total	11,138,100	22,138,100	11,000,000	13,667,500	13,731,400	63,900	13,841,400	13,903,300	61,900
Public Employees Deferred Compensation Authority									
Restricted Funds	3,992,500	3,992,500		4,943,200	4,915,600	(27,600)	5,773,700	5,740,700	(33,000)
Worker's Compensation Benefits and Reserve									
Restricted Funds	17,666,000	17,666,000		15,392,300	15,382,700	(9,600)	15,911,600	15,901,500	(10,100)
Total Personnel Cabinet	32,796,600	43,796,600	11,000,000	34,003,000	34,029,700	26,700	35,526,700	35,545,500	18,800

The Branch Budget Bill, Part II, Capital Projects Budget includes General Fund support in the amount \$2,000,000 in FY 2000-2001 to support the following capital items: On Line Access to Employee Records (\$550,000) and New Payroll System (\$1,450,000).

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$96,200 in FY 2000-2001 and \$135,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification

The General Assembly, Part I, Operating Budget, includes a language provisions that directs, notwithstanding KRS 18A.015(2), (3), and (4), the Personnel Cabinet shall collect \$5.00 per month per employee eligible for health insurance coverage in the state group for those agencies utilizing the state payroll system and \$4.00 per employee eligible for health insurance coverage in the state group utilizing their own payroll system from all employers of state employees defined in KRS 18A.225(1)(b) for duly authorized use by the Personnel Cabinet in administering its statutory and administrative responsibilities, including but not limited to administration of the Commonwealth's health insurance program. Members of the state group utilizing the state payroll system will pay \$5.00 per month beginning January 1, 2000.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Personnel Cabinet

The General Assembly, Part I, Operating Budget, includes a language provision that directs, General Fund support totaling \$389,000 in FY 2001-2002 for debt service on new personnel payroll system and for hardware and software to allow on-line access to personnel records.

The General Assembly, Part II, Capital Projects Budget includes Bonds Funds in the amount \$2,000,000 in FY 2000-2001 to support the following capital items: On Line Access to Employee Records (\$550,000) and New Payroll System (\$1,450,000).

FB 2000-2002 FINAL BUDGET MEMORANDUM
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
General Fund				2,000,000		(2,000,000)			
Bond Funds					2,000,000	2,000,000			
TOTAL CAPITAL				2,000,000	2,000,000				
II. CAPITAL PROJECTS									
1 (C47A1375) Personnel-Payroll System for State Government									
General Fund				1,450,000		(1,450,000)			
Bond Funds					1,450,000	1,450,000			
Total				1,450,000	1,450,000				
2 (C47A1178) On-Line Access to Employee Records									
General Fund				550,000		(550,000)			
Bond Funds					550,000	550,000			
Total				550,000	550,000				
3 (C47AGA02) Franklin County - Lease									
Total									
TOTAL				2,000,000	2,000,000				

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